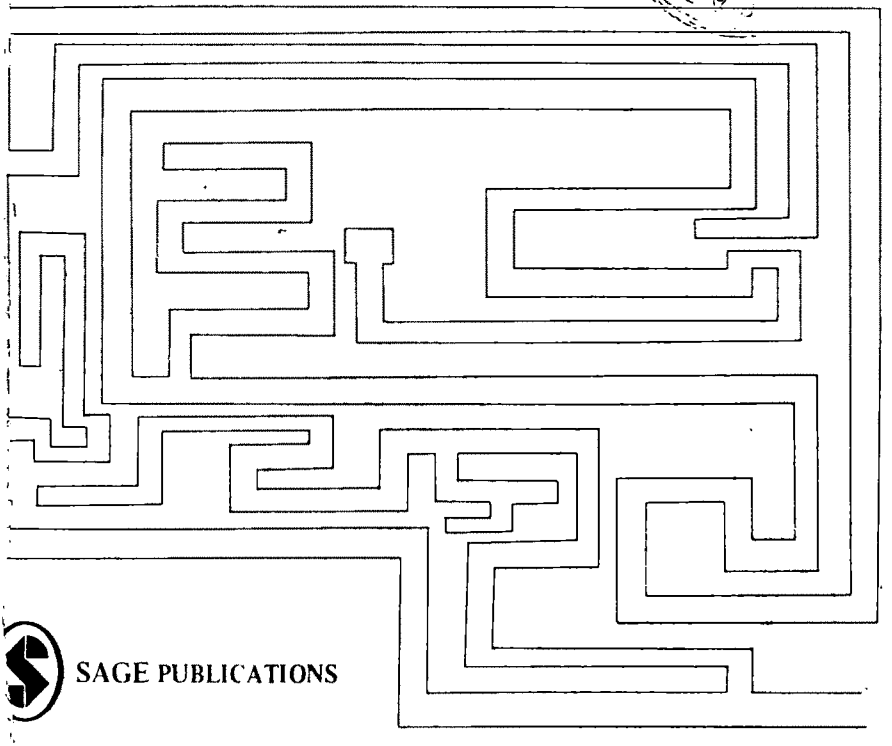
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A new system of performance appraisal based on written standards and merit-based pay for supervisors and managers in the federal government is examined in five sites. The merit-based pay aspects of these systems are not perceived as equitable, nor are they perceived to contribute to agency effectiveness. The performance appraisal and performance standards aspects appear to be contributing positively to work planning and supervisor-subordinate communications. Developmental, forward-looking appraisals are seen to have the most positive impact on attitudes toward these systems, though appraisals have become less *developmental under the new system. Results are discussed as they relate to the effectiveness of government operations.*

PERFORMANCE-CONTINGENT PAY FOR FEDERAL MANAGERS

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THEORY

The Civil Service Reform Act of 1978 has been characterized at one extreme as a sweeping change in the conditions of work in the federal government and at the other extreme as a fleeting adjustment in the status quo. It was "the centerpiece of government reorganization" during President Carter's term of office, designed to "deal effectively and firmly with the few who do not (work well)" and to "provide incentives and opportunities for managers to improve

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the efficiency . . . of government." (Message to Congress, March 2, 1978.) In support of the act, one congressman noted, "Congress must develop a system to insure that the same merit incentives which operate in the private sector also operate in the federal government." (Congressional Record House of Representatives, August 11, 1978.) Performance-contingent pay, based on annual performance appraisal, was the resulting system. Whether such a system would achieve the desired goals was never clear, however. As Perry and Porter (1982: 95) note, "the successful use of monetary incentives in government is . . . threatened by the extent to which performance differences can be measured . . . and an equitable formula can be developed that ties rewards to performance." More bluntly, a federal labor official said, "pay raises would become dependent upon the whim of the supervisors . . . turning the increases into a modified spoils system." (Statement of K. T. Blaylock, Committee on Post Office and Civil Service, House of Representatives, March 9-10, 1983.) These expectations and potential problems are the focus of this research.

The central assumptions of these reforms are well represented in the literature. Performance-contingent pay is hardly a new concept, and has been identified as a significant means of rewarding employees at all levels if administered properly (Lawler, 1981, 1982; Heneman and Schwab, 1972). In particular, money may function as a reward for job-related behaviors insofar as it is

(1) a valued reward in the eyes of the receiver,
(2) explicitly linked to the behavior in question, and
(3) perceived to be fair or equitable.

Just as the concept and potential usefulness of merit-based pay is well represented in the literature, disagreement about its *actual* incentive value for managers is widespread. It has been argued that pay, an extrinsic reward, has the long-term effect of decreasing the value of intrinsic rewards such as a sense of accomplishment from the job (Deci, 1975; Salancik, 1975; Meyer, 1975; Mikalachi, 1976). Further, for merit-based pay to be effective, it must be tied explicitly to work-related behavior. At the managerial level this is sometimes difficult, so the actual administration of pay in many organizations is more seniority based than performance based, lip service about merit pay notwithstanding (Patten, 1968; Loomis, 1982).

Merit pay has been no less controversial in the public sector than the private sector. Early studies of merit pay suggest that its effects on performance are inconclusive at best. O'Toole and Churchill (1982) found that the required objective basis for compensation decisions was elusive and that the available resources for merit-based raises were insufficient. They did find, however, that the various activities required by merit pay tended to enhance agency communication regarding goals and priorities. Pearce and Perry (1982) similarly found that employees did not perceive a strong link between their performance and compensation decisions, nor did they find that pay was a highly valued reward (it ranked between third and fifth on a list of nine rewards). Pearce, Stevenson, and Perry (1983) demonstrated that there was no relationship between merit pay and organizational performance in the agency they studied, interpreting these results as possible evidence that performance-contingent pay is not appropriate at managerial levels. Clearly, merit-based pay in the federal government has some rather formidable obstacles to overcome if it is to act as a significant reward for work performance.

Another critical aspect of the reforms is the creation of performance standards or annual performance goals as the basis for annual performance appraisal. The effect of goal setting, apart from providing a basis for performance appraisal, is also well documented in the literature (Latham and Yukl, 1975). Employees with challenging but not unreasonable goals with measurable accomplishments that have been set with their significant and substantial input are more likely to perform at high levels than employees with no goals or goals determined in other ways or with other characteristics.

Finally, performance appraisal, apart from its obvious links to performance standards and merit pay, can achieve performance improvement if the appraisal focuses on future performance improvement in addition to past performance evaluation (Meyer et al., 1965). Appraisals that focus only on past performance tend not to help the subordinate understand what behavior might be appropriate for performance improvement. Further, appraisals that include some negative component are often met with defensiveness on the subordinate's part, resulting in little or no performance improvement in the coming year. However, appraisals that are forward looking as well as an accurate evaluation of the past tend to produce changes

in work behavior in the future. This is particularly true for people who have perceptions of themselves as competent, able employees (Shrauger, 1975).

In this article, we explore reactions to the new standards-appraisal-pay system in five federal installations, noting both the characteristics of each of the three components that are associated with their acceptance and the relationships among the three components. In particular, we expect the following:

(1) Employees who put a lot of thought into writing their standards, who feel their standards are accurate, who collaborated with their supervisor in creating them, and who use them for work management will report a more accurate and developmental appraisal process than others.
(2) Approval of the new performance appraisal system will be positively associated with the perceived accuracy of the appraisal, the appraisal's contribution to future performance improvement, and to perceptions that the appraisal process identified those deserving financial rewards.
(3) Employees who feel that the new appraisal process is an improvement will be more likely to approve of merit-based pay than others.
(4) Reactions to merit-based pay will also be a function of
    (a) perceptions regarding the benefits to the agency deriving from merit-based pay,
    (b) perceptions that those who deserved the raises got them, and
    (c) perceptions that the amount of money available for raises is sufficient to motivate changes in work behavior.
(5) Performance standards that are written after the first appraisal experience will reflect some of the qualities of the appraisal. Employees who had a fair and developmental appraisal will be more likely to put in extra effort on their standards and to use their standards for work management.

METHODS

This study of the effects of civil service reform began in early 1980 in five installations of two federal regulatory agencies. Data

collection has included systematic interviews with senior executives and middle managers, unstructured interviews with "key resource" people (a variety of people with information we felt we needed), questionnaires distributed to agency employees, collection and analysis of documents such as memoranda, policy guidance, organization charts and policies, training materials, sample performance standards and agency reports, and to a limited extent, discussions with interested parties outside the agency (e.g., congressional staff). The interview and document-collection activities have proceeded in a fairly continuous fashion, with increases in activity at about the time we distributed questionnaires. Questionnaires have been distributed at least twice in all sites; in late summer of 1980 (baseline) and early spring of 1982 (after implementation). Return rates vary from 55% to 95% with an average return rate of 73%. In this article, we use only responses from middle- and upper-level managers and supervisors, as they were the only employees covered by the merit-pay program.

RESULTS

PERFORMANCE STANDARDS

As seen in Table 1, our expectations regarding the impact that performance standards would have on attitudes toward performance appraisal are supported. Though the relationships are weak, nearly all are statistically significant.[1] Those who did a thoughtful job of writing their standards, who collaborated with their supervisor in writing them, who felt that their standards were accurate, and who used standards as a work guide were more likely than others to approve of the new system, to have had an accurate appraisal, and to say the appraisal helped them improve their performance. We also note that the correlations with each of the three appraisal variables are about the same for any characteristic of performance standards (item 2 is an exception). Finally, we notice reasonably positive attitudes toward standards—two-thirds agreeing that they did a careful job analysis when writing their standards, that their standards are accurate, and that they collaborated with their supervisor in writing them.

TABLE 1
Attitudes Toward First Performance Standards and Relationships with Performance Appraisal Attitudes

Question Wording	% Agree	Correlations with Appraisal Attitudes[a] Accuracy	Perf. Improve.	Overall Acceptance
1. Writing my performance standards cause me to think seriously about what I do in my job.	69	.20*	.21*	.22*
2. My performance standards accurately represent the most important parts of my job.	67	.28*	.19*	.33*
3. I like having written standards against which I can measure my own performance.	51	.12	.17*	.16*
4. % who worked with their supervisor at least 50-50 to create standards.	65	.12	.13*	.14*
N =	469			

NOTE: All questions, unless otherwise noted, were posed in a Likert-type format with response categories ranging from (1) strongly disagree to (5) strongly agree. Percentages shown in Column 1 are agree and strongly agree.
a. Performance appraisal questions asked in Spring, 1982. Performance standards questions asked in Summer, 1980. See Table 2 for exact question wordings of performance appraisal questions.
*Correlations (Pearson's r) statistically significant, $p < .05$.

PERFORMANCE APPRAISAL

In Table 2, we present attitudes toward the first performance appraisal under the new system, noting that most of our predictions were supported. However, we also see rather negative attitudes toward the new system. Though 44% felt the appraisal was accurate, very few (17%) report that it helped them improve their future performance and only 21% felt it identified those deserving financial rewards. Only about a quarter felt the new system was better than the old system overall. Though we do not show the data, we also found that the only aspect in which the new system is seen as significantly better than the old is with respect to accuracy of the appraisal. Moreover, the new system is perceived to be significantly *worse* than the old in its ability to help people improve their future performance. We would suggest that these two changes are

TABLE 2
Attitudes Toward Performance Appraisal

Question Wording	% Agree	Correlation with Acceptance of the New System (item 4)
The performance appraisal system used in 1981...		
1. Accurately rated my job performance.	44	.37*
2. Helped me improve my performance.	17	.45*
3. Identified people who deserved a cash award.	21	.33*
4. Was better than the old system overall.	26	--
N =	451	

NOTE: All questions unless otherwise noted, were posed in a Likert-type format with response categories ranging from (1) strongly disagree to (5) strongly agree. Percentages shown in Column 1 are agree and strongly agree.
* Correlations (Pearson's r) statistically significant, $p < .05$.

related. Because standards-based appraisal tends to focus attention on past performance, and because such a high premium was placed on creating and using objective, measurable standards, the benefits of the more subjective aspects of a good appraisal, of looking ahead, planning for the coming year, and clarifying expectations, may have been lost.

Finally, we see that the strongest correlate of overall acceptance of the new system is precisely that aspect that has suffered—performance improvement ($r = .45$). These results suggest that performance standards and appraisal based on those standards yield improvements in the perceived accuracy of the appraisal, an important component of any pay-for-performance system. The cost, at least in the short run, appears to be that performance appraisal has become more accomplishment oriented and less improvement oriented.

MERIT-BASED PAY

Let us turn now to the last step in the cycle, merit-based pay. In Table 3, we show employees' attitudes toward various aspects of the first merit-based pay activities as well as the impact that

TABLE 3
Attitudes Toward Merit-Based Pay

Question Wording	% Agree	Correlation with Belief that Merit Pay is an Improvement (item 5)
1. Merit pay has made this agency more effective by encouraging people to work harder	10	.55*
2. People who deserved a big raise got a big raise under merit pay.	5	.35*
3. There is enough difference between a satisfactory and an outstanding rating in the size of the raise to make the extra effort worth it.	20	.23*
4. Importance of pay (% "very" or "all" important)	41	-.03
5. I think merit pay for supervisors and managers is an improvement over the old way of determining raises.	29	--
6. The performance appraisal system used in 1981 was better than the old system overall.	26	.57*
N =	451	

NOTE: All questions, unless otherwise noted, were posed in a Likert-type format with response categories ranging from (1) strongly disagree to (5) strongly agree. Percentages shown in column 1 are agree and strongly agree.
*Correlations (Pearson's r) statistically significant, $p < .05$.

overall attitude toward the appraisal had on acceptance of merit-based pay. The data suggest fairly consistently that there is ample room for improvement in the merit-pay program. Very few employees believe that merit pay will make the agency more effective (10%) and fewer than 30% believe merit pay is an improvement.

Items 2, 3, and 4 have to do with the linkages between pay and performance. Again, the results for the system are not positive. Almost no one agreed that those who deserved big raises got them (item 2), and only 20% agreed that the pay differential associated with different performance ratings was worth the effort (item 3). Further, though 41% of the employees rated pay as an important job characteristic, pay ranked last on a list of eight job characteristics in importance.

In the righthand column, we see the relationships between attitudes toward merit pay and evaluation of merit pay as a new system. Clearly, the attitudes with the largest impact on overall assessment of merit pay are whether the employee feels that merit

pay will result in a more effective agency (item 1) and approval of the performance appraisal system (item 6). Note that these are not the primary criteria suggested by performance-contingent pay theorists for a successful merit-based pay system.

However, there are also substantial but smaller relationships between the incentive and equity characteristics of the pay system and overall assessment of merit pay, though no relationship at all between the importance of pay and approval of the system. These results suggest that some of the underlying assumptions of merit-based pay may be valid for these managers, despite the fact that they are not being met by the system in its present form, but that linkages to work management (item 1) are probably more important.

PERFORMANCE STANDARDS REVISITED

Performance standards are the starting point for the operation of performance appraisal and merit-based pay. As such it seems likely that employees and agency top management would choose performance standards as a place from which to influence the overall operation of the system, and we would expect attitudes toward new performance standards to reflect the previous year's experience. In Table 4, we present attitudes toward the second set of performance standards that were written after the first appraisal-payout process.

We notice first that there has been some decrease in collaboration and in the amount of careful thought that went into creating standards. Although some deterioration is to be expected as the process becomes more familiar, both of the agencies also moved toward more centralized creation of standards, partly in order to increase cross-unit consistency in standards, and partly as a means of controlling the process. Given the modest but significant correlations between these two variables and acceptance of the appraisal system (r's = .25 and .13), too much deterioration of significant subordinate input in creating standards bodes poorly for the credibility of the system.

The data also suggest quite unequivocally that a positive appraisal experience is associated with more positive attitudes toward performance standards. In particular, we note that those who felt their appraisal helped them improve their future performance are much more likely to feel that their new standards help them plan their work (r = .51) and help them understand their supervisor's job

TABLE 4
Attitudes Toward Second Set of Performance Standards

	Characteristics of Performance Standards[a]											
	(1) Thought about job carefully		(2) Accurate		(3) Measure own Performance		(4) Plan Work		(5) Understand Boss's Job		(6) Collaborated	
	1980	1982	1980	1982	1980	1982	1980	1982	1980	1982	1980	1982
Percent Agree (N's = 469 and 451)	69 *	60	67	64	51	50	--	32	--	30	65 *	57
Correlations Between 1982 Performance Standards Attitudes and Performance Appraisal Attitudes...												
The performance appraisal system used in 1981...												
1. Accurately rated my job performance.	.19*		.34*		.11*		.16*		.22*		.13*	
2. Helped me improve my performance.	.31*		.33*		.29*		.51*		.41*		.22*	
3. Was better than the old system overall.	.25*		.23*		.32*		.39*		.21*		.13*	

NOTE: All questions, unless otherwise noted, were posed in a Likert-type format with response categories from (1) strongly disagree to (5) strongly agree. Percentages shown in Column 1 are agree and strongly agree.

a. Question wordings for items 1, 2, 3, and 6 are shown in Table 1. Wording for item 4 is, "Writing performance standards has helped me plan my work for the year." Wording for item 5 is, "My performance standards have helped me understand my supervisor's job."

*Correlations (Pearson's r) or percentage differences statistically significant, $p < .05$.

(r = .41) than are other employees. We take this as evidence that these two activities, performance appraisal and performance standard creation and use, can be used in a mutually reinforcing fashion to facilitate work management.

Overall attitude toward the new system is also strongly related to use of standards as a work planning aid (r = .39) and performance guide (r = .32). However, perceived accuracy of the appraisal is less strongly associated with the work-related items and more strongly related to accuracy of the standards (r = .34). In fact appraisal *accuracy* shows the *weakest* relationships with characteristics of the new standards, whereas the *developmental* character of the appraisal shows the *strongest* relationships.

These results suggest that the means by which the new system is best linked to day-to-day work activity is through a developmental, forward-looking appraisal. They also suggest that an accurate appraisal, although technically desirable, is less likely to yield work-related benefits than a developmental appraisal (which may also be accurate). Moreover, insofar as developmental appraisals can be relatively independent of a particular set of performance standards (because the appraisal does not look back, but rather forward), this bodes very well for the new system and points us toward at least one conclusion for supervisors: during the performance appraisal, try to focus as much on how performance can be improved in the future as on how well goals were met in the past.

DISCUSSION AND CONCLUSIONS

Our results suggest that merit pay is not seen as a very useful activity by most managers in these two agencies. As a compensation system it is not perceived to be equitable nor is there overwhelming agreement that the raises available are worth the effort required to obtain them. The problems foreshadowed by Perry and Porter (1982) have indeed been significant in these agencies. Thus we are led to the same conclusion that other researchers have reached. Merit-based pay, as currently operating, is not having any positive impact on perceived agency effectiveness, nor is it having any discernible impact on employee work behavior (though self-assessment may not be the best measure of actual work behavior).

Our analysis does not test the efficacy of pay-for-performance plans for managers in a very rigorous manner, yet it certainly lends no support to the argument that pay-for-performance is appropriate for managers, at least not for federal managers with the current level of funding.

Our conclusions regarding performance appraisal and performance standards are rather different however, and point to the program as a work management system rather than a compensation management system. This too is consistent with the work of others (e.g., O'Toole and Churchill, 1982). Although there are certainly many people who do not feel that the new appraisal system is an improvement over the old, and although we have identified several problems with the way in which the new system operates, our results nevertheless suggest that for those who see the appraisal as valuable, there are changes in evidence in their performance standards that point to the standards becoming more useful for work management. That is, work performance is potentially improved through the use of performance standards, and this is most likely to be true among those who experience an appraisal that helps them identify ways in which to improve their performance.

As noted at the outset, goal setting has been shown to increase employee performance. Perry and Porter (1982) argue that despite problems with goal inconsistency in federal agencies, goal setting can be a significant means of motivating behavior. Our results support this notion. Further, because public agencies tend to attract employees who place less emphasis on money and more on status and achievement than private sector firms (Rawls et al., 1975), the rewards available for motivating excellence in government should reflect these differences. Allowing managers to achieve and rewarding performance with status and recognition are likely to be more fruitful approaches to increasing government effectiveness than are the merit-pay provisions of the reform act.

Clearly, the ultimate effects of these provisions of the reform act will not be known for several years. There are numerous effects that events apart from the act had on its implementation and use, the presidential transition being but one, and we have not addressed these other events in this article. However, we feel that our results thus far, though of necessity tenuous, point to two major conclusions. The first is that merit-based pay is not working in our two

agencies or in most of the other agencies in which evaluations are taking place. By not working we mean that it is not widely accepted, it is not seen as an improvement, it is not perceived to be rewarding deserving people fairly with significant raises, and it is not seen to be contributing to agency effectiveness. The second conclusion is that performance standards and performance appraisal may be working to improve the way in which employees are able to plan and accomplish their work goals. This positive outcome is endangered by a decrease in collaboration and job analysis in writing standards, but is nevertheless an encouraging accomplishment for the reforms and for the prospects for work effectiveness improving in the federal government.

NOTE

1. One reason these correlations are so small is that the two sets of questions were asked at different times. The performance standards questions were asked on the baseline questionnaire in 1980, and the performance appraisal questions were asked in the spring of 1982 after the first appraisal.

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Professions and organizations institutionalize values. These values may clash when professionals participate in organizational decision making. This article investigates the interplay between professional values and organizational purposes in the organizations that formulated federal subsidized housing policy between 1968 and 1977. Policy professionals in these organizations are committed to public finance theory, a branch of welfare economics that stresses policy criteria consistent with classical liberalism. Public finance theory was consistently influential in the President's Office of Management and Budget, briefly influential in the Department of Housing and Urban Development, and never influential in Congress. Objections to it, though never codified, can be inferred from the public finance prescriptions Congress rejected. Professionals rationalize rejections of their preferred policies by defining standards of good policy as sharply distinct from political realities that legitimately affect policy determinations. This definition, however, unnecessarily compromises the integrity of organizational deliberations and, thereby, the integrity of organizational purposes.

PROFESSIONAL VALUES AND ORGANIZATIONAL DECISION MAKING

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Professions and organizations are alternative ways of institutionalizing values. Professions socialize workers to become committed to major social values, such as health, justice, or knowledge.[1] Organizations coordinate activity on behalf of socially approved goals. Professions and organizations are also alternative ways of institutionalizing expertise (Freidson, 1973). Professions inculcate exper-

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tise in individual workers, and organizations expertly coordinate work.

In an effort to acquire technical expertise, organizations often hire professionals. But professionals are not merely skilled technicians, they are committed to certain substantive values. Insofar as organizations combine technical and policymaking functions in the same officials, organizations strengthen the authority of professional values in the process of acquiring technical expertise. Because technical and policy considerations are deeply intertwined in the same decisions, the increasing technical importance of professionals is likely to bring with it an increasingly important policy role (Friedrich, 1940; Long, 1954; Galbraith, 1971).

When professionals help set organizational policy, there is potential for conflict. Decision makers committed solely to the organization are likely to look at policy issues differently from officials with dual allegiances to profession and organization. Where organization and profession share similar values, as with physicians in hospitals or social workers in welfare agencies, conflicts probably affect the direction of organizational policy only marginally. The effects on policy are more important where professional values diverge sharply from organizational purposes, as when scientists work in industry (Kornhauser, 1962). Yet research on professionals in organizations (e.g., Engel, 1970; Engel and Hall, 1973; Scott, 1965; Blau and Scott, 1962; Larson, 1977: 190-199) has emphasized settings where professional and organizational values are similar. Even in settings where value differences are greater, research has concentrated on the degree to which professionals realize their desire for autonomy (Hall, 1968; Miller, 1968). From the standpoint of professional autonomy, all organizational hierarchies that attempt to routinize work are similarly threatening. But the threat to substantive professional values—health, justice, knowledge, and the like—is less radical where organizational purposes and professional values are closely related.

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comments on earlier versions of the article. The research was supported in part by a grant from the Law and Social Science Division of the National Science Foundation. *Direct all communications to: Robert Bell, Department of Sociology, Northwestern University, Evanston, Illinois 60201.*

Substantial differences between professional values and organizational purposes not only threaten the integrity of professional values, they threaten the integrity of organizational purposes. Organizations can neither dismiss professional values as irrelevant nor embrace them as determinative. To strike the proper balance is difficult. Professional values can make organizations lose sight of their responsibilities. In a study of an interstate commission charged with cleaning up the Delaware River, Ackerman et al. (1974) reports that the professional concerns of sanitary engineers overshadowed other public ends, most notably the goal of improving the river's recreational value. Thompson (1949) shows that the professional orientation of attorneys frustrated sensible policymaking in the Office of Price Administration. But organizations can also slight responsibilities to values associated with professions. Nonet (1969) argues that the California Industrial Accident Commission adjudicated cases with insufficient regard for legal values implicit in its mandate. A major challenge for modern organizations is to maintain the integrity of organizational purposes while utilizing professional expertise and integrating professional values.

This article examines the interplay between professional values and organizational purposes in the formulation of federal subsidized housing policy and shows how the interplay affects the fate of each. Since the late 1960s, public policy professionals have been imbued with value orientations derived from economics and, more particularly, from a branch of welfare economics known as public finance theory. The skills and orientations of economists are becoming increasingly salient in government organizations (Meltsner, 1975; Rhoads, 1974; 1978), and the study reported here suggests some of the consequences of this prominence in one policy area.

The values policy professionals bring to government are readily apparent in government documents that discuss the merits of different policies, but it is harder to identify organizational purposes.[2] Nowhere are the responsibilities of government agencies clearly and simply stated. These responsibilities must be constructed by amalgamating the dictates of statutes, presidential directives, court decisions, widely accepted social norms or principles (Dworkin, 1967), technical knowledge, and other sources of law. We cannot directly determine, then, whether organizations have correctly interpreted their purposes. At some fairly general level, we can readily

exclude certain purposes: we all know that HUD is not supposed to build missiles and that it is supposed to advocate a coherent housing policy. But general observations such as these do not determine whether, on finer points, organizations have correctly interpreted their purposes.

To determine this, we need a process notion of purpose. A process notion measures purposiveness by the character of organizational deliberations not by the character of final decisions. A process notion makes sense because if deliberation is sound, organizations should arrive at appropriate decisions. How, then, can we evaluate deliberations? When organizations deliberate well, they consult the various sources of legal authority, thoroughly discuss their relevance, fashion them into a coherent policy, and justify that policy based on a reasoned analysis of those sources. Society implicitly demands this ideal form of deliberation when it demands that organizations be faithful to the law. No organization, of course, deliberates in this ideal way. But policymakers widely recognize the legitimacy of this ideal even as they vary in how closely they approximate it.

The integrity of organizational purposes, in short, rests on the character of policy deliberation—on the kinds of arguments that are treated as authoritative in organizational discussions. To examine the impact of professional values on organizational purposes, then, involves examining their impact on the quality of policy deliberation.

The definition of governmental purposes takes place in the context of interorganizational relations. Conflicts among organizational actors, all with their different policy arguments, shape the policy choices the administration makes. To study the fate of organizational purposes and professional values, it is necessary to understand these conflicts.

DATA AND METHOD

The major sources of data are interviews with knowledgeable informants, examination of unpublished government records, and review of published government documents, newspaper reports, and scholarly articles bearing on housing policy. Data are drawn from events that took place between 1968 and 1977. Most of the infor-

mation was collected during a six-month stay in Washington, DC, between May and October, 1977.

A total of 58 interviews were conducted. About half were with current and former officials of the United States Department of Housing and Urban Development (HUD), chiefly members of the housing production, policy development, research, and legal staffs. The remainder were fairly evenly split among Office of Management and Budget (OMB) policy reviewers, congressional committee staff, lobbyists, and housing experts at congressional staff agencies and Washington think tanks. Interviews took from thirty minutes to three hours.

There were no problems in obtaining access to unpublished records of OMB and HUD policy deliberations. Records of the HUD budget office, the policy development office of HUD's assistant secretary for housing, and the OMB branch that oversees HUD budgets and policy were examined. These records provide a detailed chronicle of policy deliberations. HUD's agency-wide policy development staff retains no central file of documents. According to interviewees, the personal files of two staff members, personal interviews, and other HUD documentary sources largely fill this gap. Another useful source was the personal files of HUD Secretary James Lynn. Available in the HUD library, these files contain policy documents used in preparing HUD's 1973 housing policy recommendations. The Lynn files cover a period when the professional perspective of public finance theory was at the height of its influence in HUD.

PUBLIC FINANCE THEORY

Welfare economics embodies a set of standards for good policy. Welfare economists agree, for example, that "Pareto optimal" policies—policies that improve the economic welfare of one or more persons while making no one worse off—are good policies. They recognize, however, that few substantial policy changes leave no one worse off and that this criterion provides solutions to only a limited number of problems.

The "older" welfare economics of the 1930s adopted a less stringent standard for acceptable policy. This standard was the ef-

fect of a policy on total economic utility. Reasoning that the satisfactions produced by a given increment of income declined as total income rose, adherents to the older welfare economics argued in favor of income redistribution where it could be achieved without serious decline in total productivity.[3]

The older welfare economics was a vital source for efforts to formulate a normative theory of budget revenues and expenditures. Richard Musgrave's *The Theory of Public Finance* (1959), characterized some fourteen years later as a "classic" that "since its publication . . . has been the standard work in public finance at an advanced level" (Due and Friedlaender, 1973) draws on the older welfare economics frequently in its analyses. Musgrave's ideas are taught in public policy schools and economics departments, and students headed for government jobs then propagate them in their organizations. In the period studied, over half of the OMB budget examiners and all of the OMB supervisors involved in housing were trained in public policy or economics programs. The 1973 HUD housing study, which contained policy analyses and recommendations consonant with public finance theory, was run by an economist; one of his two top aides was also an economist; two economists supervised HUD's evaluation of the subsidized housing production programs; and most of the staff who worked on the evaluation were economists, too.

The analyses of Musgrave and other writers following in this tradition provide the framework for much discussion of the merits of policy in OMB and HUD. Some of the key criteria for judging policy in this framework are endemic to economic thinking in general. A concern for efficiency, for example, is hardly a distinctive attribute of the theory of public finance or even, for that matter, of economics as a whole. More particular to economics is a strong commitment to maximizing freedom of individual choice as a means of increasing aggregate welfare. Individuals are assumed to know what is best for their own welfare and, even when they do not, it is seen as a violation of their dignity to impose choices upon them.

The preference for individual choice establishes a presumption against public expenditure unless it can be shown to represent the best way to fulfill individual wants. The theory of public finance provides several possible justifications for public expenditure, of

which three are particularly relevant to decisions concerning subsidized housing. First, such expenditure may be made to purchase public goods. These are goods or services that accrue to everyone in the community, as it is impractical or impossible to exclude those who choose not to pay for such services from enjoying the resulting benefits. Public finance economists sometimes refer to public goods as grounded in the "exclusion principle." Musgrave cites flood control projects, judicial systems, and defense installations as examples of public goods.

Second, public expenditures may be justified when market allocations of resources are distorted by externalities. Externalities exist where an activity produces unmarketable costs and benefits; in such a situation, there is no economic reason for those engaging in this activity to take these costs and benefits into account. In the case of subsidized housing, it can be argued that building subsidized units in a neighborhood has an effect not only on the tenants who occupy those units but on others living in the surrounding community. Although private builders, who receive no rent or mortgage payments from nearby residents, will be unlikely to give much weight to this externality, it naturally ought to affect the attractiveness of low- and moderate-income housing programs to the government.

A third rationale for government intervention is that certain goods are merit goods. Merit goods are those the government decides are so worthwhile that it wants to ensure that individuals have access to them. Subsidies for education, health, housing, and food have been justified by the claim that these are merit goods. Unlike public goods, merit goods violate the principle of consumer sovereignty by making real income dependent on consumption priorities. The consumer who chooses to spend on housing receives a subsidy, whereas his neighbor who spends on, say, furniture does not. Each housing dollar therefore buys more than a dollar of housing; each furniture dollar buys only a dollar of furniture. A consumer who derives more satisfaction from furniture than from housing may nevertheless spend his money on housing in order to receive a government subsidy. The subsidy thus induces expenditure patterns that necessitate higher expenditures (including both the consumer's and the government's spending) to achieve a given level of satisfaction. In recent expositions of the merit-good concept, Musgrave has disdained merit-good justifications of government

spending as paternalistic encroachments on the principle of free consumer choice (Musgrave and Musgrave, 1976: 65-66).

When government decides to make certain public expenditures, it must also decide who is to bear the cost of these expenditures. In structuring such decisions, the theory of public finance makes use of the basic legal principle that persons in like situations ought to be treated alike, along with the corollary that those in unlike situations ought to be treated differently. These are referred to as the principles of horizontal and vertical equity respectively. The variable that determines whether persons are similarly situated is income. As economists disagree about how to define income, many other criteria for allocating tax burdens, such as age, source of income (earned versus transfer income), or occupation are thereby excluded.

The theory of public finance typically introduces the principles of horizontal and vertical equity with reference to taxation. Because the theory of public finance is suspicious of spending on merit goods, it usually does not apply the argument to expenditures. Insofar as the government undertakes to provide for merit wants, however, it follows that the two equity principles should be applied in making expenditure decisions.

The perspective of the theory of public finance, then, augments the concepts of economics with certain ideas tailored to the special problems of government expenditures and revenue raising. It fashions a normative theory of government by seeing government as a vehicle for giving efficient expression to individual free choice. Because of needs for public goods and the presence of externalities, collective action is sometimes needed to make free choice effective. The clarification of the conditions under which collective action is appropriate has been a major task of the older welfare economics and of the theory of public finance. To ensure that collective power is used fairly, the theory of public finance has adopted the principles of horizontal and vertical equity as norms restraining government from capriciously or unreasonably discriminating among the citizenry in the distribution of burdens and benefits.

In all of these respects, the theory embodies classical liberal ideas about the nature of the state and about equal treatment of persons under the law. In view of the close connection between economic thought and liberal political philosophy (Smith, 1952/1776; Spencer

1969; Von Mises, 1962; Hayek, 1967; Friedman, 1962), this is hardly surprising. Similarly, the affinities between philosophic liberalism and the actual foundations of American society are strong enough to warrant the claim of welfare economists and public finance theorists that their conclusions are "independent of the current state of public opinion inasmuch as their ethical premises are those alleged to be found within the virtual constitution of the community for which they are intended" (Mishan, 1969). In short, public finance theory puts forth a coherent and highly plausible conception of public policy. Americans widely share the individualistic ideology and presumption in favor of minimal government it embodies. In particular, many political leaders strongly espouse these values and compromise them only reluctantly in the face of practical exigencies. It is only natural that they surround themselves with experts conversant with and sympathetic to a theory embodying these values.

THE USES OF PUBLIC FINANCE THEORY

The public finance theory perspective on subsidized housing policy has been variably important in government deliberations. It has consistently had substantial authority in OMB, and it has consistently had little authority in Congress. HUD embraced it for a brief period in 1973-1974, but has otherwise given it little weight.

OMB

OMB is responsible for putting together a presidential budget from the proposals made by the various departments of government. It has a special responsibility for fiscal restraint and a corresponding affinity for ideas, such as public finance theory, that can be used to criticize government spending. Because it demands that agencies make a strong case for proposed expenditures, OMB is locked in perennial combat with other government agencies.

OMB staff believe their influence is rooted in their loyalty to the president and their analytic ability. Certainly, their influence does not derive from an outside constituency that presses for frugality

or coherent policy. Although OMB itself went through important structural changes during the 1970s, the operations of the HUD branch were largely unaffected.

Much of the work of OMB budget examiners is technical and requires skills taught in public policy schools and economics departments. Examiners contribute to budget planning by estimating how much money HUD will actually spend in a given year, how much it will need in future years to meet contractual obligations, and what the effects of possible changes in economic conditions would be on HUD outlays. Because examiners are asked to review and evaluate HUD estimates on all of these matters, they must be capable of assessing information more familiar to economists and policy analysts than to the general educated public. Moreover, examiners must become familiar with the institutional arrangements through which mortgage credit is allocated in American capital markets. A background in policy analysis or economics is not absolutely essential for any of these tasks, but it is certainly helpful. The need to select budget examiners with the requisite technical abilities—or with the capacity to acquire them rapidly—narrows the range of possible examiners and means that those selected will often come to government with a predilection for espousing the public finance point of view. The same tends to be true of economists hired by HUD to do in-house analytic work, and for much the same reasons.

OMB budget examiners perform policy functions that bring their professional values into play. They analyze the merits of HUD programs and prepare material for the OMB Director and the president outlining the arguments for and against different spending levels and program mixes. They also make recommendations applying their understanding of presidential policy to specific budget issues.

OMB applies policy criteria drawn from public finance theory to numerous HUD programs. OMB analyses of HUD's subsidized housing programs are a good example. In the wake of ghetto rioting, the Johnson Administration passed ambitious new legislation committing the federal government to producing at least 6 million subsidized housing units between 1968 and 1978. The legislation also set a goal of 26 million newly constructed housing units during this period. These numerical targets were widely accepted in both political parties, and the Nixon Administration made no attempt

to repudiate them. The subsidy programs were structured in such a way as to defer federal expenditures until the assisted housing was actually built, typically one or two years after expenditures were authorized. As a result, subsidy payments did not begin to appear in the outlay budget in large quantities until well into the Nixon Administration. As the outlays for the subsidy programs mounted, administration officials became interested in ways of cutting program costs.

The pioneer OMB effort to reevaluate the subsidized housing programs was a paper on "The Role of the Federal Government in Subsidized Housing" written in 1970. Previous OMB analyses had also been informed by an economic style of thinking, but had either dismissed alternatives to subsidized production programs as technically infeasible or taken the public commitment to increased housing production as inviolable (Bell, 1980: 135-137).

The OMB (1970) paper lists two "implicit objectives" of the subsidy programs:

- achieving a desired level of total production of housing (a housing production goal); and
- assisting *some* [emphasis in original] lower income families by permitting them to live in housing which they could not otherwise afford (an income maintenance goal).

Two things ought to be noted here. First housing subsidy programs might plausibly be viewed as serving many other goals: demonstrating national concern for slum neighborhoods, contributing to the development of better communities, seeking out and rewarding poor families that wish to improve their living standard in socially approved ways, promoting racial or economic integration, or developing organizations committed to improving the nation's housing. The OMB classification of goals is surely defensible, but no more so than many others. The choice of this classification is not justified by reference to authoritative directives from the president or Congress and is best explained as the conceptualization most congenial to the professional outlooks of economists. Housing may be seen, in the OMB view, as a special part of total national production or as a form of personal consumption, but not as carrying impor-

tant noneconomic implications. Second, emphasis on the fact that aid goes to only some lower-income families anticipates later criticism of housing programs as inequitable. Insofar as housing production was viewed as the primary goal of the subsidy programs, however, the equity issue became incidental.

The paper goes on to discuss the conflict between these two goals in the context of limited resources. This conflict occurs because aiding poorer people requires larger subsidies to individual families and therefore supports less housing production than aiding those higher on the income scale. The budget examiners suggested that this conflict could largely be resolved by:

> reemphasizing a basic principle. The objective of our housing programs—subsidized and unsubsidized alike—is to achieve through increased production adequate housing for *all* Americans. Within that objective housing subsidies are primarily a means of assuring adequate effective demand for the housing which is produced and are only secondarily a mechanism for income maintenance. [emphasis in the original]

Given the inevitability of housing programs, production was a more plausible goal of general application than income maintenance. The latter could only apply to those few poor families receiving subsidies, but the former could relieve the aggregate shortage of sound housing to the benefit of the whole society.

With this more exclusive focus on production of new housing, housing aid would be directed more toward middle- and moderate-income groups and less toward the poor. The paper explains that this does not indicate a diminished commitment to the poor:

> Providing housing for the poor is not the most effective means of dealing with their real problem—lack of money. We are beginning to deal with this through FAP [Family Assistance Plan, the Nixon Administration's welfare reform program]. Moreover, far from ignoring housing for the poor, they will benefit along with everyone else from the volume production of housing which can only be achieved with a new strategy.

An earlier OMB analysis had noted that general income maintenance and cash grants for housing (housing allowances) both

had the advantage of affording the poor greater freedom of choice (OMB, 1969). But because increased production was taken to be the main goal of the subsidy programs, alternative programs to aid the poor were hardly discussed. Effectively dealing with the income problem was seen as the key to solving the housing problem: The paper attributed most improvements in housing quality over the past decades to rising real incomes rather than to subsidized housing programs. Raising incomes, though, was viewed as a task for economic policy and welfare programs, not for housing programs.

Most of the basic criteria of public finance theory are present in OMB's analysis. OMB applied the norms of equity, efficiency, and maximized freedom of choice to the subsidy programs and redefined the inadequate housing of the poor as essentially an income problem. Even the primacy of the production goal was inferred partly from the observation that housing programs were an inequitable, inefficient, and constraining way of meeting income maintenance goals. The application of these economic standards, then, led to a comprehensive critique of subsidized housing policy and the enunciation of the outlines of an alternative strategy. The OMB analysis departed from the theory of public finance only in continuing to take for granted a special government responsibility for housing. The clear and publicly unchallenged government commitment in this area meant that justifications based on theoretical discussions of public goods, externalities, and merit goods were academic and irrelevant.

The public finance perspective was applied to other programs as well. Recurrent criteria for judging HUD programs include equity, use of income standards for aid programs, freedom of choice, efficiency, and "tax expenditure costs" (foregone revenues from granting tax deductions and other tax preferences).

Inequity became an increasingly prominent basis for criticizing subsidized housing programs. It was also cited as an important weakness of HUD's categorical community development programs, which gave large grants to some cities and little or no money to other cities with equally severe problems. Equity, along with other considerations, prompted OMB opposition to operating subsidies for public housing. These subsidies were designed to help maintain older public housing projects without substantially increasing rents. OMB argued that these subsidies were an inequitable way of helping the poor because aid went only to the lucky few living in sub-

sidized housing. Likewise, the rehabilitation loan program, a small program that lends money at below market rates to owners of run-down buildings in designated target areas, was criticized as inequitable because it subsidized loans to middle-income property owners whereas poor people went without subsidies.

The importance of the income criterion as a measure of eligibility for programs can be seen in the case of special housing programs for the elderly. Here, OMB (1973a) criticized HUD's proposed elderly housing program as "distort[ing] resource allocation to [the] poverty population" and later, despite repeated congressional insistence on special aid to the elderly, proposed rescission of funds for this purpose. OMB's stress on the income of rehabilitation loan recipients also derives from professional preoccupations, because the program is aimed primarily at improving neighborhoods, not at aiding loan recipients.

Evidence of OMB's freedom of choice emphasis comes from the examining staff's argument that federal antidiscrimination efforts deserve support as a way of maximizing choice for housing consumers. OMB approval of steps to improve the information available in markets, as in the interstate land sales registration program, is also justified as a way of facilitating informed free choice; in general, because markets are particularly effective in giving expression to free choice, OMB sees efforts to improve their functioning as more desirable than more intrusive forms of government intervention.

Efficiency concerns were pervasive, most prominently in efforts to restructure management incentives in public housing. OMB also criticized the market distortions inherent in flood insurance programs that encourage the development of flood-prone areas, actuarially unsound FHA insurance programs, and federal banking laws that restrict competition for savings. And OMB examiners questioned the efficiency and equity of tax subsidies in connection with tax exemptions on income from municipal bonds and tax deductions for mortgage interest payments.

OMB's most thoroughgoing use of public finance concepts came in a 1976 review that sought to clarify the rationale behind all the various federal interventions in housing. OMB's review examined externality, merit-good, and public-good justifications. The review noted that decent housing has no substantial, persuasively documented externality effects. In particular, OMB pointed out that em-

pirical evidence is lacking for the oft-repeated assertions that homeownership or better housing make for better citizens; this point regularly appeared in OMB analyses of homeownership programs. OMB's review acknowledges that housing could be considered a merit good, thereby justifying intervention, but neither examiners nor agency executives indicated acceptance of this rationale, at least until the end of the Ford Administration. The public-goods argument appeared in a discussion citing the exclusion principle as a reason for government to provide public facilities necessary for the enjoyment of housing.

Although criteria drawn from public finance theory inform OMB analyses of housing programs, it would be wrong to suppose that no other standards are applied. OMB analysts prefer programs with relatively small administrative costs and those with little potential for abuse or scandal. They prefer programs that commit sufficient resources to promise more than a token impact on the problem they address. They prefer programs administered at the lowest level of government sympathetic to program purposes. And, of course, they prefer programs that are consistent with presidential policy insofar as they are able to discern a coherent policy.

These preferences, however, neither amount to a broader theory of the public interest in housing nor include well-articulated explanations of what constitutes greater "administrability" or the proper division of labor among different levels of government. Such theories and explanations either do not exist or are not at the intellectual core of particular professions. They would have to be constructed, and OMB cannot afford the luxury of constructing theories as an academic exercise; without a special theory, its examiners are able enough to spot abuse-prone programs or opportunities for delegation to local government. The ready-made paradigm for evaluation contained in public finance theory, on the other hand, gives OMB the advantages of a systematic and coherent critique without the labor of constructing a theory tailor-made to the policy preferences of a particular president.

HUD

From 1970 until the subsidized production programs were suspended by White House fiat in 1973, HUD grew progressively



more dissatisfied with the programs. Scandals in administration eroded public and congressional support and may have disillusioned top HUD leadership as well. HUD policy development staff were more concerned about problems in program design and shared many of OMB's reservations, including dissatisfaction with program inequities and a belief that production and income maintenance goals could be addressed more efficiently and fairly through separate programs. In these respects, HUD analysts adopted a perspective akin to that derived from economic thinking. Yet weaknesses of the programs that could not be assimilated to this perspective were considered equally pressing. Listing important issues requiring further government attention, HUD's Third Annual Report on National Housing Goals (U.S. Congress, House, 1971) placed inflation in housing costs and the impact of housing decisions on the social and physical environment on an equal footing with equity. Correspondingly, HUD in this period was interested in new cost-saving technologies and in mechanisms for tailoring housing programs to the variety of local conditions as well as in housing allowances and middle income production programs. Although the economic perspective was certainly not without influence in HUD, then, it dominated neither HUD's assessment of the subsidy programs nor its search for new policy directions.

Within HUD, this perspective was variably influential. The secretary's policy staff, which wrote the annual reports on housing goals, was far more disaffected with the housing programs than were the people who actually administered the programs. The tension between the two was endemic: policy staff was analytically oriented and influenced by economic thinking, whereas production officials were action oriented and absorbed by the problems of making their programs work. For the most part, production staff had the better of the conflict. Policy officials had no real outside support, and had to rely simply on their credibility with the secretary to obtain a hearing. Production staff had the advantage of a supportive constituency of builders, unions, city officials, congressmen, and, to a lesser extent, bankers and realtors. This constituency supported HUD as a whole, not just production programs, and the secretary could ill afford to disregard it. Only in 1972, when Secretary Romney, like many former supporters of the production programs, became disillusioned, did the balance of power between competing offices in HUD change.

From 1969 until 1972, then, housing production interests inside and outside HUD dominated agency thinking. This was also true from 1975 at least until the middle of the Carter Administration, and for much the same reasons. In 1973 and 1974, however, a second-term president, elected by a landslide and with little need for continued support from the housing policy community, was willing to suspend existing programs and examine new approaches. With the advent of the suspension, HUD brought in new leadership and promised a fresh look at the federal role in housing. Newly appointed Secretary James Lynn built up those parts of HUD least committed to existing programs, and this meant a greatly increased role for an overhauled and greatly expanded policy development and research staff. Externally, it meant unprecedented levels of hostility between HUD leadership and its usual constituents in Congress and the interest groups.

When Lynn arrived, HUD embarked on a six-month study, employing over one hundred professional staff and costing several million dollars. The study produced *Housing in the Seventies,* a report of over two hundred pages (HUD, 1973a). In its evaluation of the suspended programs and its recommendations for reform, HUD adopted the perspective of public finance theory.

HUD's evaluation of the subsidized housing programs is contained in Chapter 4 of that report. The chapter notes that a variety of goals were mentioned in the legislative debates that preceded the enactment of the subsidy programs, but it does little or nothing to assess the contribution of the programs to meeting those goals. Instead, it concentrates on evaluating program performance in terms of criteria drawn from economic thinking. Explaining the three major criteria to be used, the study says:

> A thorough and fair assessment of the Federal Government's subsidized housing programs must begin with the selection of an appropriate set of expectations against which to gauge performance. A logical starting point is to identify whom the programs serve and how the programs affect these and other groups. Costs and benefits—or, more precisely, the relationship between costs and benefits—also are important concerns.... All important issues appear to be simple extensions of three basic questions:
>
> (1) Equity: Are subsidized programs serving the appropriate people?

(2) Impact: Are the programs having the desired effect on those served, and on the community at large?
(3) Efficiency: How do the benefits compare to the costs incurred? (HUD, 1973a: 87).

The analysis concedes that the programs have had a positive impact. But that benefit has been purchased at the price of substantial inequity and inefficiency, two key criteria in the economic approach to policy. Using quantitative measures, the evaluation estimates that in most of the subsidized housing programs the government subsidy is worth only half of its budgeted value by the time it reaches the poor people who are its intended beneficiaries. With regard to equity, it finds that most eligible families are not served by the programs and that poorer families are only slightly more likely to be served than families classified as moderate income. Thus HUD's analysis concludes that the programs are clearly horizontally inequitable and, insofar as they serve many moderate-income families before helping the lowest-income people, vertically inequitable as well.

Under the heading "social impact," the report examines the externalities generated by the subsidy programs.[4] After pointing out that social impact is difficult to measure, HUD's evaluation cites previous studies that found little or no evidence of externality benefits from subsidized housing. HUD's analysis concludes that better housing leads to only marginal improvements in the health, school performance, and aspiration levels among occupants and is therefore unlikely to spur such improvements in the community at large. Exploring the impact of newly constructed subsidized housing on property values in the surrounding neighborhood, the analysis again finds practically no externality effects. Because increases in property values mainly benefit private parties and because public policy is not supposed to aim at creating windfalls for property owners, it may perhaps seem odd to focus on changes in property values in a discussion of benefits to the general public. Nevertheless, from the economist's perspective such changes are an important component of the cost-benefit equation, in addition to being an indirect measure of changes in the quality of community life. The only externality of HUD's subsidy programs viewed as important is racial integration; the programs did facilitate a modest movement of blacks to suburbia.

The HUD evaluation codified administration objections to the major subsidy programs and prompted consideration of possible alternatives. In the search for such alternatives, direct cash assistance through a reformed welfare system was the natural candidate for administration support. Nothing in *Housing in the Seventies* called into question the notion that adequate levels of income would solve the housing problem, and HUD policy discussions during the latter part of the housing study are full of references to housing as basically an income problem. In addition, the efficiency measures used in the HUD report implicitly compared existing programs to a program of unrestricted cash assistance. These measures cast cash assistance in a favorable light, highlighting the fact that it could more efficiently reflect family consumption priorities by giving families freedom to choose how to spend their income. Following out the logic of its own parallel analysis, OMB had already concluded that welfare reform was more desirable than even redesigned housing programs could be (Bell, 1980: 140-148).

HUD nevertheless resisted this logical implication of its adoption of the public finance theory evaluative framework. To be sure, HUD officials recognized this implication and agreed that "ideally a system of general income supplements to the poor, at a high enough level to enable them to purchase decent housing, food, clothing, and medical services, would be our approach." (HUD, 1973b). Such an approach was barred, however, by resistance in Congress and the public to welfare reform and by the lack of budgetary resources. Fearing that a recommendation to replace subsidized housing programs with a still to be formulated welfare reform plan would result in a congressional initiative to reactivate the suspended programs, HUD officials chose a housing strategy that most closely approximated the standards set by public finance theory. Thus HUD settled on housing allowances, but decided to delay implementation of a full scale program pending further study. Even by the time HUD's proposals reached Congress, then, the agency's mission and the political realities surrounding it had caused HUD to back off from public finance theory in its pure form. Although the new HUD leadership could send the production advocates in the agency into temporary eclipse, HUD simply could not do without housing programs for the poor, whatever public finance theory might say. HUD executives therefore decided to subsidize the poor to live in existing housing. To this end, they pro-

posed an interim program that modified and expanded the small Section 23 leased housing program, which was closer to a housing allowance than HUD's other subsidy programs.

CONGRESS

Congressional support for housing allowances was minimal. Congress interpreted the housing allowance recommendation to mean that HUD was not seriously committed to better housing. Congressmen feared that housing allowances would provoke drastic rent increases and would not increase the supply of housing for the poor (Phillips, 1973). HUD's (1973) report offered no new evidence or arguments to allay these long-standing fears.[5]

Although the housing allowance recommendation was rejected largely on technical grounds, technical disputes may not be the whole story. Recommendations consistent with public finance theory have consistently failed to win legislative endorsement. Even where technical objections exist, the fact that the administration has not found these objections persuasive suggests that matters of principle are also at issue.

As a decentralized, deliberative body, Congress is poorly equipped to develop a critique of the public finance perspective or to elaborate a coherent alternative theory of the principles underlying federal housing policy. Yet regular and deliberate violations of public finance strictures suggest that principled objections may exist. (The possibility that these violations are unprincipled will be discussed below.) To codify congressional objections is not to say that Congress is right. Reasonable persons may, of course, find the implicit congressional objections unpersuasive, and they may even believe that some or all of these objections would ultimately not prove cogent. I codify these objections here only to show that they have some prima facie plausibility and that Congress may have principled reasons, inchoately expressed, for violating some of the prescriptions of public finance theory. An examination of those violations reveals four points at which public finance premises may be challenged.

(1) *Elderly Housing and Moral Desert.* One glaring violation of the precepts of economic thinking is the persistence of special housing programs for the elderly. As a theory of desert, public finance

theory recognizes only one relevant criterion. This is income, suitably adjusted for family size and special needs (e.g., for the handicapped) (Musgrave, 1959: 172). The logic of welfare economic analysis requires that elderly people without special handicaps be accorded treatment like that given to others in their income class. OMB made this argument in opposing HUD's phase-in of housing allowances by beginning with the elderly and also in suggesting rescission of funds for elderly housing in 1976. Congress, on the other hand, has consistently shown special concern that housing programs adequately serve the elderly. In order to provide for the elderly while the newly enacted Section 8 program was beginning, it reinstated Section 202 direct loans for elderly housing in 1974. In doing so, Congress both provided an additional subsidy to elderly housing projects that other developments for the poor did not enjoy and placed this program outside the budget so that the prospect of higher budget deficits would not curtail program activity. Congressional support for elderly housing was so strong that even OMB advocates of the proposed 1976 rescission conceded that Congress would undoubtedly insist that the administration spend the appropriated money. These actions suggest that Congress believes that elderly people are generally more deserving of aid than other poor people. A possible reason for this is that the elderly poor usually cannot increase their earning power, whereas the young poor have at least the possibility of acquiring marketable skills, improving work habits, or relocating to areas with labor shortages. To a welfare economist, this might translate as concern about the work disincentives created by aiding the nonelderly.

The rhetoric of proponents of elderly housing though suggests a different emphasis. As Representative Ben Blackburn (R-Ga.), introducing an elderly housing bill he cosponsored with Representative Robert G. Stephens (D-Ga.), told the House:

> Generally speaking, our senior citizens have not been receiving the attention from the Federal Government which they so justly deserve.
>
> They have worked hard during their productive years. They have kept faith in America and in its system. They have served in our wars; and they have sent their sons to others. They have paid their taxes. Yet, all too often, too many of our senior

> Americans have found themselves largely ignored by the Government in which they have kept faith and to which they have contributed so much. (U. S. Congress, House, 1974a).

Blackburn and other advocates of elderly housing talk about the moral qualities of the elderly, attach a high value to the fact that many elderly have worked all of their lives, and argue that society ought to be particularly concerned to see that older Americans are able to live with dignity. They believe, in short, that age is a reasonable surrogate for moral desert and, more generally, that moral desert is an important reason, in addition to income, to differentiate in the distribution of government benefits.

(2) *Psychological Adaptations and the Income Standard.* A second issue concerns the use of income as a measure of welfare. When welfare economists assume that people with equal incomes are equally in need of government aid, they discount the psychological attachments to certain arrangements that benefits in kind typically foster. When additional income is needed to maintain existing arrangements, recipients may have a stronger claim to it than persons with similar incomes whose lives are not threatened by comparable disruption. Society recognizes that personal adaptations are precarious and usually considers it more unjust to deprive people of vested benefits than to fail to extend benefits to people in otherwise similar circumstances (e.g., people with equal incomes).

This sense of justice came into play when cost increases threatened sharply higher rents in many subsidized housing projects. Congress attempted to protect project tenants by increasing federal operating subsidies in some projects and initiating them in others. OMB, on the other hand, stressed that higher operating subsidies would create further inequities in programs already serving only a fraction of eligible families. OMB's public finance perspective was relatively insensitive to the severe dislocations facing residents of subsidized housing who could no longer afford to rent their present apartments. It is quite possible that the deprivations caused by failure to provide an additional subsidy to maintain a family's living conditions are not compensated by the advantages accruing to another family able to use the same subsidy to improve its living conditions. Arguably, this would be true even if the second family were poorer than the first.

Put more abstractly, the problem here may be traced to the public finance economist's willingness to make interpersonal utility comparisons by assuming that the marginal utility of income declines as income rises. This assumption ignores the differences in utility curves created by the fact that people start at different points in the income scale. People accustomed to poverty may adapt to circumstances that are painful for those who have grown dependent on better living conditions. Additional income may therefore have more marginal utility to the latter than the former. Moreover, the assumption of relatively continuous utility curves is often erroneous. If a failure to obtain an additional subsidy necessitates a choice between relocating and substantially reducing nonhousing expenditures, it may lead to a drastic deterioration in a person's quality of life; conversely, relatively large increments of income above the amount of the necessary subsidy may provide only small increases in utility.

Of course, if one sees maintaining stable adaptations as in itself a social good that may legitimately preempt the goal of maximizing aggregate welfare, the arguments in the preceeding paragraph become superfluous. As a market society that by and large accepts the problems created by unrestrained mobility, America is generally reluctant to take this position. But this disregard for stability becomes questionable when extended to settings outside the American mainstream. Applying the economic paradigm to housing programs for American Indians and Alaska natives, one OMB examiner wrote that he did not believe the administration's conception of the proper functions of government could justify "assuring that housing is made available to persons *wherever* they choose to live (e.g., Alaska natives) or regardless of obstacles that these persons throw up before the private market (e.g., restrictions on the use of reservation land)" (OMB, 1976). In this case, the stability needs of culturally distinct groups that have traditionally been somewhat insulated from market forces (at least insofar as they had a choice in the matter) are assimilated to all other demands for special consideration. Furthermore, the value of providing economic assistance in ways that minimally interfere with the preservation of these unique cultures is not considered. Although the welfare economic perspective hardly necessitates the insensitivity displayed here, it clearly facilitates it.

(3) *Mobilizing Energies.* A third problem with economic thinking lies in its limited perspective on mobilizing energies. As a theory, economics sees monetary gain as the sole spur to organized social action. The satisfaction of moral or ideological preferences is another possible spur, but these preferences are in effect taken to be random or inexplicable. Economics has no way to handle these preferences systematically and no theory suggesting how government can capitalize on them. Other social sciences have likewise contributed little in this area. As a result, to the extent that economic thinking dominates policy formulation, economic incentives for mobilizing effort will be preferred to reliance on poorly understood moral and ideological processes.

Congressmen, on the other hand, attach considerable importance to altruistic motivations for public activity, including socially desirable forms of economic activity. Although they understand that such motivations alone are often impotent, they believe that government can establish a secure financial environment in which private organizations can mobilize volunteers in the service of publicly valuable ends. Speaking before the House of Representatives, Rep. William Widnall (R.-N.J.) introduced a bipartisan measure to aid nonprofit sponsors of elderly housing by saying:

> Consumer-oriented, voluntary, and nonprofit organizations have long provided the heart and the muscle for helping those in need in this great Nation. Without such mutual assistance among men, this nation would never have made it through the difficult periods of our past. I have doubts that we could ever meet this present need by dollars alone. (U.S. Congress, House, 1974b).

For the brief period around 1968 when housing was genuinely a major national issue, there was widespread belief in the importance of such voluntary efforts. A combination of social responsibility and the profit motive was to launch ambitious big business involvement in housing through the National Housing Partnerships, the 1968 Housing Act contained provisions to facilitate development of nonprofit organizations dedicated to housing, and policymakers showed interest in cooperatives as a vehicle for better housing maintenance. Even the stress on homeownership, especial-

ly evident in this same period, can be understood in part as a response to its possibilities for mobilizing energy in publicly beneficial ways. The preference of some policymakers for homeownership over rental housing represents in part a belief that an equivalent government investment generates far more effort to improve the nation's housing among people who own their own homes than it does among renters or owners of rental property. This belief has frequently been attacked by OMB's welfare economists as unwarranted by empirical data.

A closely related problem with the welfare economic outlook is that it sees the development of suitable organizations for providing housing as unproblematic. Implicit in its view is the idea that such organizations will automatically spring into existence when market conditions are right. Yet it is certainly possible to argue that there are obstacles to the formation of new types of organizations even when favorable market conditions prevail. In an interview, for example, a former HUD official maintained that builders would build housing for the poor only if they had a guaranteed profit, not merely a probability of high profit relative to the risk involved; if they were to take risks, he said, they would do so only on expensive housing where profit margins have historically been higher. Even if this is economically irrational, it may still describe the behavior of a considerable segment of the building industry. If it does, this industry ideology may be crucial to determining which of two schemes with equal economic enticements could succeed in mobilizing substantial entrepreneurial talent. In addition, the fact that it invariably takes time before private enterprise adapts to new programs or regulations and begins to make full use of the opportunities they provide is further reason to treat the development of suitable organizations for economic activity as problematic.

The history of mortgage insurance is also suggestive. Initiated by the Federal Housing Administration in the 1930s, it produced profits for the federal government for over thirty years before significant private competition appeared. Although it is conceivable that private mortgage insurance could not have been profitable in the intervening years, it seems more likely that entrepreneurs simply missed a good business opportunity.

(4) *The Emphasis on Distribution.* Finally, there is a fourth weakness of the public finance perspective that is less a problem

of faulty theoretical premises than of a certain characteristic mood. Welfare economics tends to stress the distributional aspect of public policy decisions at the expense of their public goods aspect. In this it differs from much economic thinking, which has been accused of submerging distributional questions in aggregate measures such as gross national product and unemployment rates. OMB's criticism of the rehabilitation loan program for helping individuals who are not impoverished illustrates this focus on the distribution of benefits. The primary purpose of the loans is to upgrade low income neighborhoods, not to aid needy individuals; a loan that induces a relatively affluent owner to rehabilitate his rundown property is made in order to benefit his less affluent neighbors. In general, OMB has stressed the individual consumption aspects of housing and played down housing's contribution to the development of communities, thereby facilitating a focus on distributional issues. Significantly, in 1974 it was Congress, not administration advocates of the welfare economic perspective, that wished to require local governments to devise housing assistance plans for federal aid.

The emphasis on the distributional consequences of policy also finds expression in OMB analyses of homeownership programs. OMB's skepticism about the value of homeownership for promoting better citizenship helps it to redefine these programs as redistributive devices. Although changes in the distribution of the first order benefits of homeownership are measurable and their desirability is easily assessed, changes in the quality of collective life are elusive. Similarly, discussions of the redistributive impact of a homeownership program are likely to progress to clarifications of technical problems in measuring that impact. Discussion of the effects on the community at large, however, typically remain at the level of undocumented assertions. In view of the difficulty of testing homeownership's alleged benefits to society at large, the welfare economist's skepticism becomes, in effect, a way of emphasizing the redistributive question. Congress and, except during the 1973-1974 period, HUD have been more convinced of the collective benefits of having a society of homeowners.

In Congress, then, the public finance theory perspective has had, at least until 1977, relatively little impact on policy dispositions. Since HUD's (1973a) report, the language and outlook of the theory have become a part of the intellectual equipment of many congressional staff members. But, although the theory has become a force

to be reckoned with, it has not achieved widespread acceptance as an important guide to policy. HUD designed its leased housing program in 1973 with public finance criteria in mind, but congressional changes weakened efficiency incentives and somewhat compromised vertical equity and freedom of choice (Welfeld, 1975).

THE EFFECTS OF PROFESSIONALISM

The dominance of analysts and executives espousing policy arguments grounded in public finance theory has had different effects in different organizational settings. OMB is primarily an institutionalized policy critic, and public finance theory has helped to ground its criticisms. Because the theory fits OMB's institutional role, the theory has compromised OMB policy deliberations (and, thereby, organizational purpose) only in relatively subtle ways. HUD, on the other hand, is responsible for developing a coherent housing policy. Because public finance theory cannot incorporate many generally accepted facets of housing policy, it accords poorly with HUD's mission. When HUD embraced the theory, policy deliberations were substantially compromised. Compromise was logically necessitated by the conflict between the content of the law and the content of public finance theory and cannot be accounted for in any other way.

OMB

Public finance theory provides OMB examiners with more than a set of values. It also gives them a disciplined and well developed way of thinking about policy questions that yields uniform analyses and judgments. The disciplined thinking of OMB examiners commands respect from their adversaries in HUD. There is a general agreement that OMB examiners keep a sharp eye on HUD activities and ask pertinent questions of proposed innovations and even of continuing programs. Thus one HUD official stated:

> The process of having to justify ourselves to an able fiscal conservative made us careful about requesting new funding. I don't think it changed our justifications, but it exerted a

> discipline on us. For example, the Cabinet Secretary may think we should serve a certain constituent, but OMB, by knowing the programs, will come back with the substantive premises underlying policy and make us more careful about giving in to constituent pressure. It forced us to be sure we had damn good justifications to go to the President with. If there's someone who can embarrass you in front of the President, you get careful. (Interview with a former HUD policy development official).

It is remarkable that the six budget examiners in OMB's HUD branch are by all accounts able to keep abreast of the activities of an entire government department. That they can also offer useful criticisms of those activities and stimulate HUD to revise proposals or improve justifications of existing proposals is still more remarkable. Explaining this, one former OMB executive noted:

> Most of the people in HUD are not working on conceptual analysis. Besides, if you have six skillful examiners, they can keep a lot of people in HUD busy finding things out for them.

Here, as in the statement of the HUD administrator quoted above, OMB's distinctive institutional perspective is seen as a source of its strength. It is important to note, however, that the force of this perspective is dependent on the ability of OMB's examiners to master the "substantive premises," "conceptual" issues, and technical factors that bear on program decisions.

Still, skepticism about the OMB role sometimes surfaces. Another HUD official complained of an "institutional disease" at OMB that leads to conflict with the department even over proposals that HUD administrators see as clearly expressive of the spirit of presidential policy. A Democratic appointee at HUD also criticized OMB biases. He attributed HUD's frequent disagreements with OMB in the first year of the Carter Administration to "ideological" residues of a Republican outlook in OMB's examining staff.

It is the public finance perspective of OMB's budget analysts that gives rise both to praise for powerful "conceptual analyses" and to charges of "institutional disease" and attacks on "ideological bias." Public finance theory provides a coherent point of view that

derives a certain plausibility from its affinities with classical liberal ideology. This accounts for its power. But it also accords poorly with the settled dispositions of the polity, at least until 1977, concerning housing policy. The logic of public finance theory dictates that subsidized housing programs be terminated in favor of welfare reform, yet Congress persisted in thinking otherwise. Hence the charges of disease and bias.

The repeated rejection of policy recommendations consistent with public finance theory has posed a dilemma for OMB professionals. HUD professionals who adhere to the theory have faced this same dilemma. How can these professionals maintain their allegiance to professional values at the same time accepting the reality of organizational policies inconsistent with those values?

The answer to this question lies in the way policy analysts define their roles. Basic to their role definition is what may be called the "doctrine of the merits." This doctrine sharply separates standards of good public policy (the merits) from political realities that legitimately affect policy determinations. It thus allows professionals who adhere to the public finance perspective to hold two beliefs that might otherwise appear to conflict. On the one hand, they can hold that their policy proposals are based on objective assessments of merit. On the other, they can hold that rejection of those proposals is legitimate. Rejections can be interpreted as proper deference to criteria other than the merits.

In this way, the doctrine of the merits reconciles policy professionals to their subordinate position in the policymaking process by certifying their loyalty to politically appointed officials and their willingness to execute decisions made on political grounds. At the same time, the doctrine grants professionals a kind of autonomy: The merits define a domain in which the integrity of public finance theory as a policymaking tool is practically unchallengeable.

The merits do not include only public finance criteria. When professionals' hierarchical superiors explicitly set standards whose content and generality make them plausible representations of a public interest, these standards may also count. The president's determination to increase housing production, for example, has at times outweighed public finance criteria in OMB. The merits also include some standards about which there can be no disagreement (e.g., it is an advantage for programs to be productive). What they ex-

clude are (1) criteria not specifically endorsed by the president or—for HUD analysts—the department secretary, but included in the law at the insistence of other segments of the policymaking community (e.g., Congress or interest groups) and (2) publicly unmentionable criteria, especially the needs to please powerful lobbies and key segments of the electorate.

Clearly, decisions cannot always be made on the merits as defined here. If the president or the HUD secretary had dictatorial powers, the merits as presented by OMB examiners or HUD analysts might be a sufficient basis for choice. In real life, however, these officials must depend on other officials and even on private groups in order to achieve their aims. Because policies must gain acceptance in these other quarters, considerations other than the merits must be introduced. Policy professionals usually conceptualize these considerations as in some sense political.

We may, in turn, divide these political considerations into two kinds. Some are tactical. They respond to momentary constellations of political forces and cannot be rationalized in terms of enduring principles for structuring a proper housing policy. According to one OMB examiner, for example, a 1976 decision to subsidize mortgage purchases through the Government National Mortgage Association Tandem Plan was made in order to provoke a temporary upsurge in housing starts in the months before the November election. Although OMB's economic analysis indicated that this decision would not provide meaningful long-term benefits to the economy at large or to the home construction industry, political factors in this case overcame "the merits."

The other kind of political considerations respond to more enduring imperatives. They betoken a recognition that the continuing interests of certain powerful groups must be appeased. Thus the elderly lobby consistently favors housing programs for senior citizens, the builders' lobby consistently desires high levels of construction activity, and the cities consistently prefer increased amounts of unrestricted federal aid. All of these political forces must be taken into account by an administration concerned to fashion acceptable programs.[6]

By conceptualizing the positions of these groups as essentially alien to the merits of the issue, analysts treat those positions, in effect, as important in proportion to the power of those who take

them. This is illustrated by the treatment of the public housing interests in an OMB analysis of ways to deal with growing federal payments for public housing operating subsidies. One option discussed is for the federal government to "fix up public housing and return operating responsibilities to the local level." Among the disadvantages of this option is that it "may be infeasible politically; any legislation passing the albatross of responsibility for operations to localities would be strongly opposed" (OMB, 1973b). Nowhere are the grounds for opposition stated, and the reader is left to infer that only narrow self-interest animates localities seeking continued federal involvement. The OMB presentation suggests that the importance of those localities is simply a function of their power, not of their arguments.

Because policy analysts possess no special competence in measuring power, they tend to defer to others in weighing it against the merits. Because analysts do possess a special competence in evaluating the merits, on the other hand, they feel responsible for presenting the best possible case on the merits to their superiors. This is particularly true in OMB, where examiners pride themselves on their thoroughness in analyzing the merits and take particular pride in developing meritorious arguments for HUD's case that the agency itself had not considered.

It is possible to imagine a fundamentally different treatment of the second type of political arguments. This treatment would incorporate such arguments into an expanded conception of the idea of merit. It would begin with the presumption that enduring interest groups are advocates of principles with significant support in society. It would stress the fact that these groups present their requests largely by appealing to principles and to technical arguments about the likely consequences of proposed actions, not primarily by stressing their sheer political power. When policymakers accede to these groups, this treatment would claim, they accept certain principles or arguments in the process of bowing to the realities of power. In other words, this treatment would see the political process as making it incumbent on analysts and their hierarchical superiors to recognize and lend validity to principles they themselves find distasteful. In so doing, analysts could not be totally uncritical; They would at least have to decide whether or not claims of powerful groups can be defended as expressions of a plausible public interest.

More important, this treatment of "political" arguments would expand the role of principle in policymaking and limit the area from which it is conceived to be absent. This would not necessarily produce different policy outcomes, but it would lead officials to a more self-conscious and responsible acceptance of the implications of their policy choices. It might also lead to a more forthright confrontation of and debate over policy principles, such as those implicit in congressional actions that the public finance perspective disdains and that no other theory has managed to articulate.

To a considerable extent, political concessions are already made in an atmosphere that recognizes the close interconnection between principle and power. The nature of political power makes this inevitable. Power is not solely a function of the command of tangible resources (e.g., campaign contributions), but also of the ability to invoke accepted principles to further one's own interests. Interest groups gain power to affect future decisions when government incorporates their preferred principles into authoritative policy. Advocates of "the merits," therefore, must prevent government policy from being contaminated by extraneous principles sponsored by outside interests. They must learn to acquiesce to the facts of political power where the principles to be compromised are minor and to resist where major principles are at stake. In this way, the adherents of the doctrine of the merits manage to give authority to principles held by those outside their organizations and to bring principle to bear on "political" decisions. What distinguishes the doctrine, then, is the climate of discussion it fosters and the imagery it invokes to describe the policymaking process, not the considerations it allows to emerge in policy deliberations.

The expanded and flexible notion of merit sketched above would require analysts to give a less privileged place to policy criteria derived from their professional perspectives. Correspondingly, such a notion would enable analysts to develop more coherent and principled statements of organizational goals by encouraging them to include all principles that have won legal standing. As institutionalized critics, OMB examiners are less responsible for developing coherent policy justifications than for scrutinizing justifications developed by the agencies. The centrality of a professional perspective has perhaps led OMB officials to see policy as excessively unprincipled, but it has not radically compromised the purposes of the organization.

HUD

When HUD embraced public finance theory, however, the effects on organizational purpose were more serious. Embracing the theory left HUD unable to rationalize its institutional responsibilities for improved housing.

In Congress, the housing allowance recommendation and the arguments supporting it were viewed as a sham and dismissed as an unworkable grounding for a reconstructed housing policy. HUD lost its credibility as an authority on what federal housing policy was or ought to be. Because HUD had adopted a theory of the public interest in housing that provided no rationale for housing programs as such, congressional disillusionment with the agency was certainly understandable.

In internal administration deliberations, HUD lacked intellectual weapons to counter the OMB public-finance-based critique of housing programs. As a result, HUD was dependent on purely political arguments to justify subsidized housing expenditures. Such arguments were present in HUD documents throughout the years studied, but were unusually prominent in 1973 and 1974. Describing this period as one during which HUD negotiated with unusual skill, one high level OMB official compared HUD Secretary James Lynn to two other secretaries he had known:

> [Of the HUD Secretaries I knew] Lynn was the most skillful user of political arguments. He would grant all of our premises, facts, and conclusions and then say that political considerations overwhelmed them. He would grant good arguments so we didn't waste a lot of time shadow boxing. That made his case more effective.

This conclusion is supported by HUD documents from this period. A letter from Secretary Lynn to the president appealing a tentative budgetary allowance of 200,000 subsidized housing units for fiscal 1975 is representative. Summarizing a number of more specific arguments, Lynn wrote:

> I am *not* making this appeal on the basis of programmatic merits.... Programmatically, I am firmly of the view, expressed in your Housing Message, that the most promising approach to assisting poor families get decent housing lies on

> the demand side—providing cash assistance—rather than spending the taxpayers' money on subsidizing the construction of new units for these people. But I am equally convinced that given the present state of affairs, unless we show willingness to assist on a "creditable" number of subsidized units during the period immediately ahead under programs that we find least objectionable, we are going to get a plethora of interest group-developed programs rammed down our throats....
>
> In essence, this recommendation is founded on political judgment—political judgment based on very intensive contact with Congressional members and staff and the interest groups. (Lynn, 1974)

Additional examples (e.g., Lynn and Ash, 1974) could easily be discussed.

In short, HUD's conception of the public interest in housing placed it in an untenable position on two fronts. Congress took a commitment to housing as given and decided that public finance theory was incompatible with it. OMB took the theory as given and challenged the justification of the commitment to housing.

As a result, HUD's institutional responsibility to fashion a viable housing policy meant that it had to rely on political arguments to sustain its proposals. That these arguments were frequently successful is beside the point. What is crucial is that embracing public finance theory proved incompatible with sustaining principled policy deliberations and seeking a publicly viable justification for subsidized housing policy. For HUD, the professional perspective of public finance theory was at odds with the mission of the organization. Although the details of HUD's mission may be uncertain or controversial, the agency clearly has a special responsibility for decent housing and must oppose arguments that suggest it does not. Instead, HUD embraced such arguments in the form of public finance theory. Yet in the end, it was organizational mission, albeit in an attenuated form and aided by opportunistic arguments, that prevailed. Even insofar as officials within the agency genuinely committed to housing programs could be ignored, the external pressures of a congressional consensus in favor of such programs, and opposed to relying solely on public finance premises, could not. These

external pressures forced HUD executives first to present proposals they found less than ideal and then to accept undesirable amendments to them.

CONCLUSION

Where professional values and organizational purposes met in the formulation of subsidized housing policy, both gave ground. The liberal values associated with public finance theory were unable to achieve lasting dominance in HUD, and never dominated Congress. Only in OMB, an organization committed to skepticism concerning government spending, were they sufficiently compatible with organizational purposes to play a consistently influential role.

Thus the imperatives of organizational mission dominated OMB and HUD despite the presence of policy professionals (and executives) sympathetic to public finance theory. In what sense, then, did organizational purposes give ground? Organizations granted authority to arguments with no standing in law and, by doing so, engaged in deliberations poorly adapted to clarifying organizational purposes. They likewise unnecessarily acquiesced in defining certain organizational activities (e.g., funding special programs for the elderly) as unprincipled. The same policy decisions usually could have been as easily justified by principled arguments (e.g., the morally upright deserve government aid) as by political arguments (e.g., the elderly have a strong lobby). The integrity of public finance theory, however, was best protected by extensively defining policy considerations as political. When the professional values of public finance theory were most influential in HUD, political arguments were also most prominent. The integrity of policy dialogue, and with it the integrity of organizational purpose, suffered.

The patterns described here suggest that although professionals may make policy discussion more rigorous, they often adhere to their own policy standards and do not help clarify the standards implicit in organizational mandates. Thus where professionals help make policy, organizations nevertheless find it difficult to generate coherent conceptions of their goals. Even when organizations know

enough—or experience enough external pressure—to reject professional criteria as their primary guide to policy, they may be unable to discern or articulate why they are right to do so. They drift, unwilling to pursue professional values and unsure about what organizational values are. How long such organizations can elicit energy and commitment from their officials and maintain legitimacy among a wider public is uncertain. In the end, the coherent values of professionals may prove more durable than the more elusive purposes of organizations.

Insofar as there are implications for policy here, they are certainly not that government needs less economic analysis or that policymakers ought to be less aware of public finance critiques of existing policy. Rather, this study implies that agencies like HUD need at least some policy staff more strongly identified with the agency responsibility to construct an intellectually coherent account of its mandate than with the substantive policy biases of a particular profession. How to develop such a staff—technically sophisticated and yet flexible enough to put professional values in perspective—is an important problem for agency leadership.

NOTES

1. Professional socialization also encourages professionals to believe that these values should be achieved through the application of professional expertise (Becker et al., 1961; Bucher and Stelling, 1977). Thus physicians are likely to translate improved health as additional medical services, not as a cleaner environment, and attorneys see better justice as wider access to the courts, not as a different distribution of income. Professionals thus often take a great deal of social organization for granted. Their narrowness of vision (or cynicism) permits them to pursue power and prestige in the name of higher values and often hinders their effectiveness in achieving those values.

2. Some theorists would go further than this and claim that organizations have no purposes (Thompson, 1967: 127-128; Cyert and March, 1963: 26-43). This position is based on a misunderstanding. Goals or purposes are simply the most abstract standards for policy specific to a particular organization. As norms, they have a recognized public authority that fundamentally distinguishes them from the intentions or motives of any set of actors. Theorists who reject the notion of organizational goals fail to make the distinction between norms and motives, and their arguments prove only that organizations do not have motives. Of course, organiza-

tional purposes are variably capable of and effective in guiding practical conduct. Sometimes they are so vague as to be practically useless, but there is no reason to believe this is always the case.

At the very least, the notion of organizational goals (or purposes or responsibilities) is relevant for understanding government organizations, which are constituted by law and guided, in part or in whole, by their interpretations of their legal responsibilities. I would argue that many private organizations are fundamentally similar. For purposes of the present article, however, it is only necessary that readers accept that government organizations have responsibilities.

3. The "newer" welfare economics has criticized the assumptions about interpersonal utility comparisons contained in this argument, claiming instead that the degrees of satisfaction of different individuals cannot be compared. In order to extend the applicability of the newer welfare economics in policy decisions, theorists have returned to the stringent test that policies not harm anyone. They have modified it, however, by granting approval to policies that would improve the lot of everyone in the community if compensation were offered to all those harmed. Athough the newer welfare economics has influenced assessments of economic efficiency, it has not persuaded policy analysts in the housing area to question their assumption that redistributions to the poor increase aggregate utility.

4. A conscious effort was made to eliminate economic jargon wherever possible. As James Lynn, the HUD Secretary in charge of the study, put it, "the early drafts needed translation from the language of people who do studies to language ordinary folks can understand" (Interview). This translation relegated terms like "externalities" to footnotes. The underlying concepts, though, are the same.

5. This is not to say that Congress was right to dismiss HUD's recommendations or even that congressional fears were well founded. I claim only that HUD's study did not respond to those fears with anything other than familiar arguments.

6. There is a grey area between the two types. Enduring interests sometimes become aligned in peculiar configurations requiring special treatment. In these circumstances, some interests may be appeased in order to vindicate more important principles. Tactical considerations of this sort may produce, say, a "worse" subsidized housing policy in order to achieve a "better" community development policy. Similarly, policymakers may tolerate, or even create, some policy incoherence on matters of detail for the sake of a larger coherence.

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Presidents have been found to have influence over the decisions of a number of independent regulatory commissions, but research has left unanswered the question of the mechanism of impact. In this article, the impact of appointment is studied on the ICC from 1955 to 1974. No presidential influence through appointment was detected. This lack of impact was speculated to be caused by the lack of fit between the cases that the ICC deals with and the issue positions of the parties. What may look like presidential impact on other commissions may only be the shared attitudes of presidents and commissioners on commissions that deal with partisan related issues.

PRESIDENTIAL CONTROL OF INDEPENDENT REGULATORY COMMISSIONS THROUGH APPOINTMENT
The Case of the ICC

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In a seminal study, Terry Moe (1982) demonstrates through interrupted time-series analysis that decisions issued by the National Labor Relations Board, the Federal Trade Commission, and the Securities Exchange Commission vary with presidential administration. Although his conclusions seem beyond dispute, his design can

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not tell us how presidents affect regulatory policy. To quote Moe (1982: 204-205):

> (Time series) is concerned with assessing the partial effects of a given causal factor, . . . with controlling for other causal influences. But it does so without specifying the system of relationships and without explicitly including any of these other variables in the analysis, thereby compensating, in effect, for our substantive and theoretical ignorance . . . It can give no insight into the pattern of causal relationships beyond a simple assessment of presidential impacts.

The causal mechanisms through which presidents affect decisions on independent regulatory commissions (IRC) is an important theoretical issue because of the numerous avenues through which presidential control might be exercised.[1] In a thorough review, Brigman (1981: 245-246) lists six causal mechanisms: appointment, budgetary review, designation of the chairman of most commissions, Department of Justice control of access to the federal courts, statutory powers over routine decisions, and the power to make independent commission decisions comply with environmental impact laws. Although there has been some attention to a few of these mechanisms, notably budgetary review (Quirk, 1981), most attention has focused on the appointment power.

Appointment seems a likely presidential leverage mechanism. The commissioners staggered terms, plus the fact that few commissioners serve out their term, gives the president ample opportunity to alter the composition of the commissions. A number of studies have indicated the effectiveness of the appointment power (Welborn, 1966; Scher, 1961), but there are also good reasons to believe that the appointment power may not be as potent as some suggest.

First, the White House often pays little attention to independent commission appointments, instead focusing more time and energy on cabinet appointments. Independent commissions are often dumping grounds for political supporters or politicians unable to secure elective office (Graham and Kramer, 1976). Patronage, not policy, rules the appointment process to the independent commissions.

Second, little attention is paid to the policy and/or regulatory views of nominees to the commissions. As Quirk (1981) argues,

presidents usually want commission nominees who will sail through the confirmation process with a minimum of conflict. This often means naming people with no public regulatory record or philosophy.

Third, the Congress plays an important role in the confirmation process, and senatorial courtesy may require a nominee whose views are more attuned to the Congress than to the president. Lastly, the prospective commissioner is usually the individual who begins the recruitment process. Talent comes to the president through the candidate's initiative, not presidential search. Candidate motivation often comes from the view of commissions as spring boards to lucrative jobs in the industry that the commission regulates. This may make commissioners more sensitive to industry, than presidential, desires (Gormley, 1979). Thus there are conflicting expectations over the efficacy of the appointment power as a means of presidential control over independent regulatory commissions.

DATA

The data for this article consist of all nonunanimous roll calls on the Interstate Commerce Commission (ICC) from January 1, 1955 through December 31, 1974. A total of 33 people served as commissioners during that period. The data were gathered from the official records of the ICC, the *ICC Reports,* and the *ICC Motor Carrier Reports.* Over the twenty-year period, the ICC recorded 771 nonunanimous votes, or an average of about 36 per year. This data base is large enough to conduct statistical analysis. Usually there are too few nonunanimous roll calls on most commissions to conduct this sort of analysis (Canon, 1969). The data base also covers a long enough time period to make comparisons across presidents.

The ICC is a good choice for the study for other reasons. First there are few current empirical studies of the ICC (for a few exceptions see Barke, 1981; Barke and Riker, 1982; Alexis, 1982; Stigler, 1971) even though the ICC was a major focus of the early, classic studies of independent regulatory commissions (Kolko, 1965; Huntington, 1951; Bernstein, 1955; Fellmeth, 1970). Also, the ICC has not commanded as much presidential attention over the past

30 years as some other independent commissions, such as the FTC, the Federal Reserve Board, and the Federal Communications Commission. The lack of presidential attention, when compared to some other commissions, often the most heavily studied commissions, should lead us to expect little presidential influence on the ICC, in contrast to most of the literature that has found significant presidential influence.

ANALYSIS

A question often raised in studies of independent regulatory commissions is whether any consistent voting patterns or blocs appear (Canon, 1969; Gormley, 1979). Whether blocs appear or not may be important in assessing presidential impact on the commission. Bloc voting among those appointed by a president may indicate a president using a rational strategy in the recruitment process. It may also indicate less direct mechanisms associated with appointment that lead to a president's appointees voting as a bloc.

The question, then, is do the commissioners appointed by a president vote as a bloc? Table 1 displays some relevant data. The table displays the average vote agreement of two groups of commissioners, those newly appointed by the president of that year and those appointed by a previous president. Data are presented only if more than one commissioner is in each group.

Though a president's appointees vote together with relatively high frequency, they also tend to vote together with previous appointees at similarly high rates. The two groups are virtually indistinguishable in terms of voting behavior. Column 4 shows the vote agreement of current presidential appointees minus the agreement levels of current and past appointees (column 1 minus column 3). Only rarely do the two groups vote differently (1961, 1966, 1972). Across all 20 years, appointees of the current president vote together more often than they vote with previous appointees only 3.9% of the time. I also inspected the groupings to determine if they formed around party, but there were no party blocs on the ICC. There seems to be no stable bloc pattern.

The lack of stable voting patterns is corroborated with other analysis (not shown). The data were subjected to orthogonal factor

TABLE 1
Voting Agreement of ICC Commissions by Appointment Type, 1955-1974

Year	1 Presidential Appointees	2 Appointed by a Previous President	3 Presidential Appointees with Previous Appointees	Difference (Columns 1-3)
1955	65.2 %	60.4 %	63.2 %	2.0
1956	62.2	63.8*	61.4	.8
1957	60.4	64.6*	62.5	-1.9
1958	59.1	69.5*	60.2	- .9
1959	56.3	69.8*	58.9	2.6
1960	59.4	---	---	---
1961	75.0*	54.1	59.4	15.6
1962	65.5*	59.1	58.8	6.7
1963	73.4	61.0	66.6	6.8
1964	---**	---	---	---
1965	---***	64.6	45.4	---
1966	85.7*	58.3	70.4	15.3
1967	66.0	63.0	61.2	4.8
1968	71.2	67.5	69.8	1.4
1969	---***	61.8	80.0	---
1970	63.2	65.0	69.4	-6.2
1971	75.0	61.0	68.9	6.1
1972	82.5	65.7	69.0	13.5
1973	52.7	73.8	65.0	-12.3
1974	55.8	68.8	63.7	- 7.9
				6.55 Absolute Difference
				2.9 Mean Difference

SOURCE: Compiled by author from ICC reports and ICC motor carrier reports.
*One pair.
**No presidential appointees.
***Only one presidential appointee.

analysis. The factor analyses were not rotated. An individual was identified as a member of a factor (bloc) if that individual's factor loading was .2 or higher. If the individual had more than one loading greater than .2, his or her highest loading was used to indicate his or her factor (bloc). A factor was identified if it contributed significantly to the variance explained in the system. Using these criteria, no stable bloc pattern of presidential appointees was uncovered. The factor analysis produced from 4 to 6 factors a year, and no factor was composed exclusively of presidential appointees or contained all the president's appointees.

From year to year, the factor analyses produced very unstable groupings. The same sets of commissioners did not vote together in successive years, indicating a highly fluid structure to voting on the ICC. This fluidity may be due to the different mix of cases each year and/or the impact of new members upsetting established small group interactions. The first possibility was tested by subsetting the votes. All votes concerning railroads were initially subsetted. These votes were then subjected to a orthogonal factor analysis to determine the dimensionality of the votes. All votes not factoring on the first factor at a .2 were dropped from the analysis. Only a handful of these votes did not meet this criterion for inclusion. The commissioners' voting patterns were then factor analyzed on this subset of votes. Again, the lack of structure using the previously mentioned inclusion criteria was repeated. There seems to be no stable voting bloc by type of issue on the ICC.

No matter the style of analysis, no blocs were found on the ICC. Other studies using forms of bloc analysis have uncovered stable blocs on the FCC (e.g., Canon, 1969; Gormley, 1979), but their analyses use cross-sectional designs. Perhaps their studies should be extended to other years to determine the stability over time of the blocs that they have uncovered.

DISCUSSION

Analysis indicates that voting patterns on the ICC do not relate to presidential appointment. Even if presidents used rational approaches in appointing commissioners to the ICC, there is little evidence of presidential impact on that commission through the appointment power.

These results contradict most of the literature on the president and the commissions, which argue that the president has substantial impact (Moe, 1982; Stewart and Cromartie, 1982; Delorme et al., 1981) and the power of appointment is potent (Scher, 1961; Welborn, 1966). These findings are more consistent with the literature on the president and the bureaucracy that stresses the limitations of presidential control (e.g., Aberbach and Rockman, 1976; Cole and Caputo, 1979; Cronin, 1975). How then can we

reconcile these findings with the literature on presidential-commission relations.

First few studies document with systematic data that appointment has any impact. The most that studies such as Moe's show, is that commission decisions vary with administration. Other avenues, such as budget control, may have impact. Second, the ICC differs from many other commissions in that it deals with issues that are less partisan than the issues dealt with by many other commissions, and the issue component of party may be a key linkage between the president and the commissions.

The process of appointing commissioners to independent regulatory bodies is often haphazard, political, and not related to regulatory policy issues (Graham and Kramer, 1976). Therefore one would expect little relationship between presidential policy desires and the decisions of commissioners, yet on some commissions, there appears to be congruence between the president and the commissions. This may be due to the impact of party.

Although political party is a rich concept involving many elements, such as loyalty, identification, and organization, one aspect of party—its issue component—may be important to this discussion. Important to the internal cohesion of parties are the shared attitudes held by the party elite on many issues, which help to meld the party into a group of like-minded men and women. Norpoth (1976), for instance, finds that shared attitudes is one source of party voting in the Congress. This aspect of party may serve as a linkage in so far as the president and the commissioners share attitudes relevant to the subject matter of the commission.

The subject matter of some commissions, such as the FTC, the SEC, the NLRB, and the Federal Reserve Board, deals with issues that arouse partisan divisions. The FTC and SEC deal with monopoly issues, the NLRB with labor-management disputes, and the Fed with monetary policy, all of which relate to the different issue positions of the parties. And these are the commissions where scholars have found presidential impact.

The ICC does not deal with issues that relate to partisan divisions. The major disputants in ICC cases are railroads, truckers, shippers, and localities served by the transporters. None of these groups is inherently tied to either party. Therefore, because the ICC does not deal with partisan issues, we do not see what looks like

presidential influence. Presidential influence through partisan related issues is at best only an indirect linkage because of the haphazard nature of the appointment process.

CONCLUSION

This focus on how issues relate to partisan differences and to the independent regulatory commissions has implications for theories of regulatory policy. First one should not consider regulatory policy or regulatory commissions as one homogeneous type, as some scholars like Lowi (1964) or Bernstein (1955) seem to imply. Rather, we should take the lead of scholars like Ripley and Franklin (1980, 1982), who make distinctions within the regulatory policy arena, such as between competitive and regulatory policy.

Further, as suggested here, one might also want to distinguish regulatory bodies in how they relate to issue-based partisan divisions. Some commissions deal with issues strongly tied to party divisions, others do not. In this vein, when one talks of interest-group capture models, for the partisan commissions, one might actually be talking of partisan capture, where the interests involved are closely tied to one of the parties. The best example may be the NLRB and labor.

Although the results presented here are not definitive because only one commission was studied, these results do serve as a challenge to future research insofar as aspects of partisanship, which have been relatively neglected on research on regulatory bodies, may have impact on the ability of politicians to affect regulatory decisions. Second the research reported here is limited in that the data series concludes well before the push for deregulation. This limitation was forced by the cost (time and money) of data collection, but it is not clear that deregulation will affect the president's ability to influence the *direction* of regulatory decisions on the ICC. For the ICC, deregulation should mean fewer cases to decide over, but should not alter who is to be supported. On other commissions, like the FTC, deregulation may mean greater support for business interests. Thus the effects of deregulation may vary by policy area and commission, and scholars should not assume that deregulation will always help (or hurt) business or that it will have major impact

on presidential-commission relations. Still these pre-deregulatory findings may prove useful in assessing the impact of deregulation.

To summarize, presidential influence is not a given on all independent commissions. Because of the haphazard nature of the appointment process, the lack of presidential attention, and the initiative of prospective nominees, the linkage between the president and the commissions may be indirect at best, with party serving as a needed mediating variable for presidential policy goals to be met on the commission. Further, partisanship may occur on a commission only if it deals with issues related to partisan divisions. These thoughts are offered as speculations in need of more testing and as a direction for future research.

NOTE

1. This literature almost forgets that the IRC form was created to limit presidential influence, instead of assuming presidential influence, but very little attention is paid to the degree of presidential influence. Presidents probably have more influence over the cabinet bureaucracy than the IRCs.

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This article argues that organizational decline is often caused by a divergence between an organization and its environment; to remain viable, the organization must evolve with its environment. Based on this precept, two lessons on the management of decline in public sector organizations are drawn from the experiences of the automotive industry during the 1970s. First organizations must understand the nature of changes taking place within their environment and translate these perceptions into plans for future action. Second, organizations must develop and implement strategies that are consistent with the underlying nature of decline occurring.

MANAGING DECLINE
Lessons from the U.S. Auto Industry

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Many public sector organizations are finding the 1980s to be an inhospitable decade. Cities and states in the Northeast and Midwest face crises because of eroded industrial bases and population migration to the west and southwest. School districts in some parts of the country have been forced to close facilities because of the effects of lowered birth rates during the late 1960s and 1970s. Many colleges and universities are faced with declining enrollments and revenues because of a shrinking college-age population and changing demands for educational programs. And a large number of federal agencies are threatened with reduced funding because of a prevailing political sentiment toward lessening the role of the federal government in American society.

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Such situations are difficult to manage because they require an understanding of decline, a phenomenon largely ignored by management theorists. There are several reasons why decline has been neglected. Since 1946 economic conditions have been conducive to organizational growth and expansion; consequently, the prevailing management philosophy is growth-oriented (Boulding, 1975; Scott, 1974). Moreover, because growth rather than decline has characterized successful organizations, there is a certain stigma about administering a declining organization (Scott, 1979). And finally, most American managers and administrators have preferred to ignore decline because they are not psychologically equipped or adequately trained to manage declining organizations (Easton, 1976; Whetten, 1981; Zammuto, 1982a).

Although growth dominates the mythology of American management, it is important to recognize that decline is a natural and common organizational phenomenon. Many of the decline experiences of public sector organizations reflect the simple fact that society is continually evolving: Population migration has been a constant factor in American history as have fluctuations in the birth rate and composition of the American population (Morrill, 1981). As for decline of private sector organizations, this too is a natural reflection of social change: As technology has progressed and the standard of living has increased, new demands for products and services have evolved, replacing past societal preferences (Zammuto, 1982b). All these factors create the context in which both organizational growth and decline can be expected to occur.

Moreover, decline is not only a natural and common occurrence but may be desirable and even necessary from a societal perspective. Organizational terminations are necessary over the long run to free resources required for the creation of new organizations to meet emerging needs. In industry, declining demand for a particular product and the associated reduction in production act to release the resources needed to create and produce new products. And in the public sector, the cutback or termination of established programs is often necessary to provide the resources for creating new programs and services.

Some public administrators and political scientists feel that analogies drawn from the private sector have limited application

to the public sector because of the inherent differences between public and private organizations (Rainey et al., 1976). Levine, Rubin, and Wolohojian (1980) argue that public sector organizations are less capable of managing decline than private sector organizations. They note that managerial initiative among public sector administrators is hampered by: (1) legislative and judicial mandates, (2) the lack of a market mechanism, which results in sluggish feedback on performance, and (3) rigid fund accounting procedures that reduce managerial flexibility.

A contrasting point of view is that the differences may not be as profound as one might initially think (Glassberg, 1978). Private sector managers find that their managerial discretion is also limited by government mandates, primarily in the form of regulation (Zammuto, 1982b). Feedback from markets is not as efficacious as economic models of competition suggest (Hirschman, 1970). Successful past performance also reduces the effects of feedback through an accumulation of resources that buffer an organization from environmental change (Starbuck et al., 1978). And, as is the case in public sector organizations, private firms can be protected from changing market conditions and mismanagement by government intervention. The federal loan guarantees extended to Lockheed and Chrysler are but two examples.

Moreover, public sector organizations often encounter conditions of decline because of similar conditions in the private sector. The cities of Detroit and Akron, for example, have experienced severe problems because of decline in the automotive and rubber industries, respectively. The fate of many public and private organizations is inextricably intertwined. In short, the dynamics of decline in public and private organizations are probably more similar than dissimilar. Although there are important differences between the management of public and private organizations, the position taken here is that the similarities are strong enough that public administrators can learn from the successes and failures of managers in large industrial corporations.

The following section presents an analysis of organizational decline in terms of the relationship between an organization and its environment. To elucidate this model, subsequent sections present a brief study of the Big Three automotive manufacturers during

the 1970s and draw some conclusions about the types of strategies that may be helpful to public sector organizations during a period of decline.

ORGANIZATIONAL DECLINE

The thesis presented in this article is that organizational decline is caused by a divergence between an organization and its environment.[1] An organization's environment changes over time; to remain viable, the organization has to change with it. In order to do this, the organization must have the means to perceive itself and its environment correctly and to take appropriate action. If an organization correctly perceives the manner in which its environment is changing and responds appropriately, it is unlikely to decline. If, on the other hand, it does not accurately perceive environmental change, or if it engages in actions inappropriate to such change, decline is likely to occur.

Zammuto and Cameron (1985) suggest that two fundamentally different types of changes occur and create conditions of decline: first reductions in the level of resources or demand in the environment, and second changing demands for the type of organizational performance made by the environment. Reductions in environmental resources or demand result in a lower potential level of organizational performance. For example, a shortage of professors in an engineering school (a reduced level of resources) will decrease the amount of instruction the institution can provide to engineering students. Similarly, reduced enrollments caused by a reduction in the size of the traditional college age population can reduce the demand for an institution's instructional programs. In both cases, the result is a "quantitative" change in the institution's environment. The institution can provide the same type of services that it had in the past but fewer of them.

In contrast with the quantitative change associated with altered levels of resources or demand, alterations in the nature of the demand for an organization's products or services reflect "qualitative" changes in the organization's environment. This is often apparent in shifts in demand for its products or services. For example, the enrollments of many liberal arts colleges decreased during the 1970s

because of a shift in student demand away from the types of programs that they offered. Aggregate enrollments within higher education increased substantially throughout this period, which was indicative of a greater supply of students. But many liberal arts colleges experienced declining enrollments because student demand for educational programs shifted away from the liberal arts to the professions.

Different types of strategies are required to cope with different forms of environment change. In the case of reduced resources, an organization has to engage in actions that make its performance more efficient in order to increase its ability to compete for scarce resources in a smaller market. With few exceptions, colleges and universities that are succeeding in the 1980s are learning to do more with less. Changes in the qualitative nature of the environment, on the other hand, require that an organization do something differently than it had in the past. In addition to increasing class sizes and teaching loads (quantitative response), colleges and universities are changing the mix of their academic offerings and are otherwise adopting strategies to accommodate changes in their environments (qualitative response). The distinction between quantitative and qualitative responses can be characterized as "doing something right" in the first case as opposed to "doing the right thing" in the second. The first response requires a change in *how* the organization is doing something; the second requires a change in *what* the organization is doing (see Kanter and Brinkerhoff, 1981). The necessity for both kinds of response will be demonstrated in the case study that follows.

DECLINE IN THE AMERICAN AUTOMOTIVE INDUSTRY[2]

The decade of the 1970s brought serious and unexpected reverses to the U.S. automotive industry. As the decade began, outlook for the industry was optimistic. The Big Three manufacturers—GM, Ford, and Chrysler—were among the ten largest industrial corporations in the world. One out of five American jobs was connected with the industry directly or indirectly. And predictions for the decade indicated that the market for automotive vehicles would continue to expand annually as it had every year since World War II.

But such predictions could hardly have been more inaccurate. By the end of the decade, the Big Three were in disarray: collectively, they posted close to a $4 billion loss for 1980; sales were at their lowest levels in twenty years. Of the three, GM was weathering the storm best but was losing money for the first time in fifty years. Ford was experiencing severe financial problems that affected its ability to fund forward product programs. And Chrysler was teetering on the edge of bankruptcy, kept afloat only by federal loan guarantees.

How did it happen that three healthy corporations suffered reverses of this magnitude in ten short years? The following analysis examines this question in terms of environmental changes during the decade and the corporations' perceptions of and responses to those changes.

CHANGES IN THE ENVIRONMENT OF THE AUTOMOTIVE INDUSTRY

The fundamental change that occurred in the industry's environment during the 1970s was in the nature of the international automotive market. At the beginning of the decade, the international market consisted of national producers serving national markets; by the end of the decade, international producers were serving a global market. Thus the environmental stability of U.S. automakers was threatened not only by the entrance of other manufacturers into the American market but also by the disruption of the two-tiered system that had influenced the manufacture and marketing of autos from the end of World War II through the early 1970s. According to this system, one tier consisted of the U.S. national market, and the other tier consisted of the rest of the world market.

The major factor distinguishing these two tiers was of passenger vehicle size. Americans bought large, relatively luxuriously appointed vehicles whereas everyone else bought smaller, more utilitarian cars. Two circumstances contributed to this market stratification: the relatively low prices of gasoline and the extensive highway system in the U.S. Gasoline prices in the U.S. were substantially below world levels; the federal government subsidized the construction of the most ambitious highway system in the world. Both these circumstances encouraged the use of large cars. The result was that the Big Three automakers produced and sold larger passenger vehicles than were practical, or available, in the rest of the world.

This situation changed during the 1970s as the gap between U.S. and world gasoline prices narrowed following the 1973-1974 Arab oil embargo. Coupled with an increasing standard of living worldwide, rising gasoline prices in the U.S. began to erase the distinction between the U.S. domestic market and that of the rest of the world. This development heightened competition internationally and opened the doors of the U.S. domestic market to serious import competition. As American consumers' preferences for passenger vehicles changed qualitatively toward smaller, more fuel-efficient models, the large cars that had been the mainstay of the Big Three's product offerings became outmoded.

According to the model presented in the previous section of this article, a qualitative change in an organization's environment demands a qualitative change in strategy if the organization is to avoid decline. In the case of the Big Three, a qualitative change would involve making a different kind of auto ("doing the right thing") as compared with a quantitative change ("doing the thing right")—making the same models more efficiently. In order to make the correct response, however, an organization must perceive its environment correctly. As we shall see, correctness of both perception and response varied considerably among the three organizations.

RESPONSES TO ENVIRONMENTAL CHANGE

As the automotive industry moved into the 1970s, all the automakers faced the same immediate problems: declining profit margins and a shortage of plant capacity and parts to meet booming consumer demand. These seemed to be merely quantitative problems, capable of solution through quantitative strategies that would improve efficiency. On the horizon, however, was the energy shortage problem that would cause fundamental changes in the industry's environment, necessitating qualitatively different strategies.

The first premonition of things to come occurred at GM. Two outside members of the board of directors were concerned with the growing scientific and technical literature that raised the possibility of an energy shortage in coming years. At their urging, a task force was organized in 1972 to examine the extent to which there was a potential energy problem, determine what plans the government had for dealing with it, and assess its potential impact on GM's oper-

ations. In April 1973 the task force reported to the board that there was indeed an emerging problem, that the government had no plans for dealing with it, and that it would have a significant impact on GM's operations, particularly because GM's products had the worst average fuel economy of the domestic producers. The board then charged the task force with making recommendations for GM's product programs.

These findings gave rise to much discussion and some important decisions within the corporation. As a first step toward coping with the potential energy problem, a decision was reached to begin downsizing GM's full-size cars that were to be introduced in the 1977 model year. A fuel economy target was also added to future vehicle design criteria. In October 1973 the energy task force presented its recommendations concerning GM's products to the board. Principal among these was the recommendation that the company initiate actions immediately to downsize *all* its vehicles for future model years.

Three weeks later the Arab oil embargo began, and executives at GM reacted quickly. In the three months following the beginning of the embargo, a number of critical decisions were made. First, crash programs were initiated to produce a new compact, Chevette, to replace the ailing Vega that had been introduced in 1970. Second, a relatively fuel-efficient luxury vehicle, the Seville, was added to the Cadillac line. Both vehicles were introduced 18 months later at the beginning of the 1976 model year, setting a record for new car introductions that cut the normal lead time by more than half. Decisions were also made to accelerate the downsizing of all GM products, with one downsized line to be introduced each year beginning with the 1977 models. And finally, decisions were made to begin designing new vehicles (as opposed to overhauling old designs) for introduction in the late 1970s and early 1980s.

In contrast, the reactions to the oil embargo at Ford and Chrysler were confusion and disbelief because neither company had forseen the possibility of an energy problem. Executives at both companies believed that the rising gasoline prices and the associated sales slump were aberrations, not symptoms of a fundamental change in the industry environment. Although all three companies cut back production in the face of declining sales, only GM took action toward downsizing its products. Moreover, even in light of the growing de-

mand for imports, executives at Ford and Chrysler continued to believe that Americans would never switch to small cars and took no actions to reduce the fuel consumption of their products.

As the recession ended in late 1975 and gasoline prices stablized, the volume of automotive sales moved upward. Large car sales increased, small car sales declined, leading Ford and Chrysler executives to believe they had been correct in their assessment that the energy situation was a passing phenomenon. Fortunately, however, both companies were forced to begin downsizing their products because of federal fuel economy standards enacted in 1975. Meanwhile, GM persisted in its long-range strategy of fundamental change in response to its perception of a fundamentally changed environment, and despite the decline in small car sales the company proceeded with its downsizing program.

It was not until 1979 that the correctness of GM's perception and response was verified. Gasoline prices rose to record heights in the wake of the Iranian revolution. Moreover, the seizure of American diplomatic hostages in Iran dramatized to the American people the uncertainties and disadvantages of dependence on middle eastern oil and hence the necessity for conservation. Thus, although the market for American cars in general declined sharply, the compact X-cars introduced by GM a month prior to the downturn sold very well. Further, GM increased its share of domestically manufactured vehicles and posted a profit for the year.

For Ford and Chrysler, on the other hand, 1979 was a disastrous year. Both companies were in the process of introducing new full-size vehicles at the precise time when the market for such vehicles began to disappear. Both companies lost market share to GM and the imports. Ford posted an overall profit only because of the strength of its international sales: Its North American operations lost money for the year. Chrysler had no such cushion: In addition to its failure to perceive changes in the U.S. market, it underestimated the importance of its international holdings and sold off almost all of these to raise cash. The ineffectiveness of its short-term strategies became clear when the company posted a $1.1 billion loss for 1979, having ensured its survival only through a $3.5 billion aid package that included $1.5 billion in federal loan guarantees.

The early 1980s were a continuation of the market conditions that characterized the end of 1979: decreased domestic sales and

increased international influence. Moreover, high interest rates have further depressed the market for American autos. In 1980, Chrysler lost $1.7 billion, the largest loss ever recorded by a U.S. industrial firm; Ford lost $1.5 billion, the largest loss in its history; and even GM lost $756 million, its first loss in almost 50 years. The year 1981 saw overall vehicle sales at the lowest level in 20 years, below the breakeven point for the domestic industry as a whole. Over 25% of the individuals whom the industry had employed in 1978 were on indefinite layoff. And the import share of sales was approaching 30%. Despite their introduction of new compacts and subcompacts, both Ford and Chrysler continued to lose money; GM made a small profit of $333 million. As 1982 began, Chrysler teetered on the edge of bankruptcy, having spent the major portion of its federally guaranteed funds, Ford was cutting back its forward product programs because of severe cash flow and financing problems, and only GM was in an expansionist phase.

In comparison with the performances of Ford and Chrysler, GM's performance during this period was nothing short of remarkable. Industry observers and critics note that GM was perhaps the most insular of all U.S. corporations in the late 1960s. Its vehicles had the lowest fuel economy of all those produced domestically, and of all domestic automakers it had the greatest number of plants and equipment committed to the production of large passenger vehicles. Yet by the end of the decade, GM was one of the most forward-looking, strategically oriented corporations in the U.S. It had become sensitive to changes taking place in its environment and had selected appropriate strategies qualitatively different from strategies used in the past. In contrast, Ford and Chrysler had remained insensitive to their environments and incapable of qualitative change. In the belief that "business as usual" would prevail, they made only quantitative changes, concentrating on producing their traditional products more efficiently and giving GM a lead time of 2-3 years in producing fuel-efficient vehicles.

What can managers learn from the experiences of these three organizations? I suggest that two important lessons can be drawn; first an organization must understand the changing environment in which it exists, and second an organization must develop the capacity to appropriately respond to change. These maxims, together with advantages of and methods for following them, will be discussed in the following sections.

UNDERSTANDING A CHANGING ENVIRONMENT

Analysis of the Big Three's actions during the 1970s shows that GM's relative success was, in large part, a function of its understanding of the changes taking place in the industry environment. GM recognized that a potential energy problem existed and that it would have a significant effect on corporate operations. Awareness of potential environmental change serves two purposes. First it can assist managers in coping with environmental events by protecting them from the shock and confusion that accompanies suddenly perceived changes (Billings et al., 1980; Whetten, 1980). Foresight can make the unthinkable thinkable (Turner, 1976).

Second, foresight often provides the time necessary to make contingency plans to deal with the effects of the environmental change. If environmental change is foreseen, managers can redefine it as an opportunity as opposed to a threat. Differences in perception of the nature and effect of environmental changes are important. If a change is defined as a threat, ensuing organizational actions are often defensive in nature. Depending on the type of environmental change, defensive reactions can often make an organization's situation worse. On the other hand, proactive responses, those that focus on changing the organization to meet *emerging* environmental conditions, are more likely when environmental change is defined as an opportunity. In effect, foresight provides an organization with the information and the impetus to evolve with its environment.

Failure to foresee and respond to impending environmental changes can create organizational crises. Crisis situations enhance the likelihood that an organization will fail (Hermann, 1963; Bozeman and Slusher, 1979). Responding to crisis situations after they have begun also increases the cost of making errors in the process of retrenchment (Scott, 1976; Levine, 1978). When an organization responds to environmental changes early, errors can be tolerated because the organization is still operating in a relatively munificent environment. When an organization is already in a crisis situation, on the other hand, errors can be fatal.

Chrysler's introduction of its compact K-cars in 1980 provides an example of the relative cost of errors. Corporate executives decided to load the vehicles with options in order to increase the company's cashflow from K-car sales. This made the price of the heavily promoted K-car as high as that of many larger models. As a result,

Chrysler did not sell many K-cars until it initiated a rebate program to bring down the price. The effect of this miscalculation was almost fatal. Chrysler was in the process of posting its second consecutive year of losses and would have gone under if it were not for the federal loan guarantees obtained a few months earlier. If the company had been in better financial condition, the effect of the miscalculation would have been painful, but the company could have weathered the storm alone.

Clearly, an ability to perceive and respond to environmental change is essential to the survival of both public and private sector organizations. How can an organization improve its perceptual and responsive performance? The next sections discuss two techniques now used in the private sector that could have wide application in the public sector. The first is environmental scanning, a technique that sensitizes an organization to environmental changes that may affect it in the future. The second technique, strategic planning, aids an organization by creating a formal mechanism for developing responses to potential environmental change.

ENVIRONMENTAL SCANNING

Environmental scanning is a technique commonly used in large private sector organizations to increase their sensitivity to environmental change. As its name implies, this technique involves scanning the broad environment for social, political, economic, and technological changes that might affect the organization in the future. Newgren (1981) notes that environmental scanning can take many forms. Some companies assign members of their staffs to scan a variety of journals for indications of environmental changes that could affect the firm in the future. Members write short summaries of findings, which are then distributed regularly to corporate executives. Other companies have set up a more formal mechanism by assigning these same tasks to a selected department within the organization. Still other companies contract with consulting firms to write summaries. And finally, large corporations have funded think tanks to extrapolate the organizational impact of emerging social, political, economic, and technological trends. Regardless of the format used, through environmental scanning, managers can learn about trends and potential critical events in time to take a proactive rather than a reactive position toward them.

STRATEGIC PLANNING

Another important aspect of perceiving and responding to environmental change is strategic planning, a term used here in a special sense to mean the interplay between the critical examination of assumptions about the future and the predictions and future plans based on those assumptions. Most corporations do not incorporate critical examination in their strategic planning procedures: Their plans for future courses of action are based on a set of often implicit and unquestioned assumptions. An explanation of how strategic planning as defined here differs from common practice is provided by Reginald H. Jones, former chairman and chief executive officer of General Electric, in an interview with Charles Fombrun (1982: 51).

> Fombrun: The extraordinary thing is that GE succeeded in making [strategic planning] more than the paper exercise it is in 99 percent of the companies that install strategic planning systems "by the book." What made the difference at GE?
>
> Jones: Too many so-called strategic plans are nothing more than a financial exposition of the business's so-called long-range plans. When we started out, that's what we got. Then we said, "Well, this is a financial presentation you're giving us. It's based on all kinds of assumptions as to competition worldwide—and you know, you have not tested any of these assumptions. For example, you do not have a ten-year technology plan for your business. We want to see that next year. Forget the strategic plan if you can't produce one. Give us a technology plan for your business, give us a plan that tells us what's going to evolve on the technical front in this line of business."
>
> Then we'd say: "You've told us what you think is going to be happening with the Westinghouses, the Emersons, the McGraw-Hills—but I happen to be in Japan every year, maybe twice a year, and I know what Hitachi and Toshiba are doing. There's nothing in your plans about them. Do you realize that your largest competitor in the world

> is Siemens? You don't even talk about German technology in your plan."
>
> Then we'd raise questions on markets, first bringing up the seven and one half percent growth in kilowatt-power demand year-in, year-out, decade after decade, so that the business had doubled every ten years. Then we'd say: "Here we are in 1974 now—we've had the oil shock, we aren't seeing the growth in kilowatt-hour demand, and the demands for conservation are going to aggrandize, not decrease. What's all that going to do to your market?" As you begin to ask these questions, you begin to do strategic planning. Too often, it's a paper exercise, a financial presentation of a long-range plan that somebody conjured up on the basis of a group of untested assumptions.

The type of strategic planning Jones describes is important in that it requires a continual reexamination of the assumptions on which organizational action is based. A number of authors, such as Hedberg, Nystrom, and Starbuck (1976), Weick (1977), and Starbuck (1983), note that past organizational successes result in a growing detachment from current environmental realities. The assumptions on which successful past actions were based become embedded in an organization. This creates a problem in that assumptions that were once correct are often invalidated by changing environmental conditions.

As a result, there are at least two major advantages to the type of strategic planning system Jones describes over more typical, formal strategic planning. First formal plans of the type that most organizations construct for strategic planning purposes are outdated the day they are issued. The passage of time more often than not proves the assumptions on which they are based wrong, because the future is irreducibly uncertain (Boulding, 1982). Second formal plans tend to play an adjunct role in the policy deliberation process and get shunted aside if they contradict the viewpoints of corporate executives. In essence, formal strategic plans do little to help an organization know its environment.

Comparing the planning systems in use at Ford and GM during the late 1970s illustrates these points. At Ford, strategic planning

system was done by the book; planners planned, managers managed. In the late 1970s, there was considerable debate about whether to commit the company to producing more fuel-efficient front wheel drive cars. Planners took the position that the company should. Executives, on the other hand, wanted to stay with rear wheel drive, probably because of the enormous investment the company had in rear wheel drive technology. The result was that the strategic planners were shut out of the deliberations, and Ford was the last domestic automaker to make a commitment to producing more fuel-efficient front wheel drive passenger vehicles.

Strategic planning at GM, on the other hand, came much closer to approximating the type of planning system Jones discusses. Strategic planners met regularly with corporate executives on a one-to-one or small group basis. At these meetings, the planners aided executives in examining the assumptions they used in making decisions and in considering the impact that changes in those assumptions would have on future corporate performance. The planners' role was one of assisting executives in formulating "turbulence-proof" strategies that would have the greatest likelihood of working under the widest possible range of future environmental conditions. In contrast to Ford, strategic planning at GM played a complementary role in the policymaking process, which assisted the corporation in understanding the potential effects of environmental change.

If an organization understands how its environment is changing, it can embark on actions to adapt to these changes. The first step in adapting to environmental change is the development of strategies that are appropriate within the context of the type of environmental change occurring. The following section examines the relative appropriateness of different types of strategies to different conditions of decline.

RESPONDING TO A CHANGING ENVIRONMENT

In order to enhance the likelihood that an organization will successfully survive a period of decline, administrators need to have a clear idea of the strategy that the organization will pursue in adapting to changing environmental conditions. The types of

strategies discussed in this section focus on how organizations can modify the domains in which they operate. An organizational domain is defined by the clientele served, the technology employed, and the services or products produced by an organization (Meyer, 1975; Miles, 1982).

Zammuto and Cameron (1985) argue that domain defense, domain consolidation, and domain offense strategies are appropriate organizational responses to decline when it is caused by reductions in the level of resources available in the environment. Domain defense strategies focus on preserving the legitimacy of an organization's existing domain of activities by buffering the organization from encroachment of the environment. In Levine's (1978) terms, they are externally oriented actions taken to resist decline through attempts to change or manipulate the environment so as to lessen the impact of changing environmental conditions. Actions such as mobilizing public opinion in favor of an organization or developing a supportive coalition of key resource providers are examples of domain defense. Domain consolidation strategies focus on reducing the level of organizational operations so that the organization can be supported by the lower level of available resources. Domain offense strategies are proactive attempts to expand organizational operations so that an organization can obtain more resources even though the availability of resources for its original domain of activity are decreasing. In each case, these domain strategies are aimed at preserving an organization's position within a decreasingly munificent environment.

The actions of the automotive companies between 1979 and 1982 provide examples of domain consolidation and domain defense strategies. The recession that occurred during this period drastically reduced demand for automotive products. The immediate reaction of the automakers was to consolidate their operations. Chrysler made the most drastic cuts. It laid off 50% of its employees, closed and consolidated plants, sold peripheral operations, reduced the number of basic passenger vehicle designs from five to three, and increased the efficiency of its production technologies. Together, these actions enabled Chrysler to decrease its breakeven point from 2.4 million vehicles to 1.2 million vehicles per year in 1982. As a result, the domain consolidation strategy enabled the company to become more competitive and enhanced its ability to survive in a less munificent environment.

The attempts of Ford and the United Auto Workers (UAW) to slow the penetration of imported vehicles in the U.S. market during this period provide examples of domain defense strategies. In 1980, Ford and the UAW filed claims with the U.S. International Trade Commission (ITC) stating that imported cars threatened the survival of the domestic automotive industry, and recommended that the ITC impose tariffs or quotas on imported automobiles. Although the ITC found that import competition was not the major cause of the domestic industry's problems and declined to take action, the efforts of Ford and the UAW led to congressional hearings and threats of legislated import restrictions. In the face of mounting pressure, the Japanese manufacturers agreed to place "voluntary" limits on the volume of imports into the U.S. market for two years.

The UAW also increased pressure on foreign manufacturers by lobbying for passage of a "domestic content" bill that would require set proportions of American-made parts in automobiles sold in the U.S. The intent of the bill was to force major import manufacturers to set up manufacturing and assembly operations in the U.S. Such actions on the part of the import manufacturers would benefit both the UAW and the domestic automakers, by providing jobs for UAW members and by equalizing the constraints (e.g., labor costs, government regulations, etc.) under which the manufacturers in the U.S. market operated.

Many examples of public sector organizations employing domain defense, consolidation, and offense strategies in response to declining resources are readily available. Domain defense strategies have been called into play by many federal social programs to protect their domains of operation from budgetary reductions sought by the Reagan administration. Public opinion has been mobilized and coalitions of legislators formed to protect these programs from further cutbacks. Many municipalities, states, and school districts have relied on domain consolidation strategies in recent years. States and municipalities have cut back the level of their operations and programs in the wake of reduced tax receipts. Services have been reduced, eliminated, or privatized, employees laid off, and many efforts made to increase the efficiency of organizational operations (for example, see Levine et al., 1981). Similarly, many school districts across the country consolidated their operations during the 1970s in the wake of a shrinking school-aged population. Teachers have been laid off, schools shut, class sizes increased, and elective

courses and extracurricular activities curtailed. Many colleges and universities have engaged in domain offense strategies as the size of the 18- to 21-year-old population first stabilized in the 1970s, and then began to decrease in the 1980s. They applied their traditional expertise in education to new areas of operation, such as continuing and adult education, seminars and technical refresher programs. These actions have helped those institutions to avoid the effects of a declining traditional market by using their expertise to expand into new markets.

In essence, Zammuto and Cameron (1985) suggest that coping with a reduction in the level of available resources requires that organizations select strategies that enable them to either forestall the decline of resources (domain defense), increase efficiency and operate with fewer resources (domain consolidation), or expand the ability of the organization to acquire resources by developing new markets for existing products and services or new forms of those products and services for existing markets (domain offense). Moreover, these strategies are not mutually exclusive and can be used in concert to enhance an organization's ability to cope with a less munificent environment.

When the nature of environmental demand for the outputs of an organization change (as opposed to the level of demand), strategies employed to increase efficiency alone are not likely to enhance organizational survival. Producing a product or service efficiently that no one wants will eventually lead to the demise of the organization. Therefore, qualitative changes in the nature of demand for an organization's products or services require somewhat different strategies than do situations where the availability of resources is decreasing. Zammuto and Cameron (1985) argue that domain defense, domain creation, and domain substitution strategies will be most effective in this type of situation. Domain defense strategies are usually undertaken in this situation to protect an organization by slowing or reversing qualitative changes in demand. In contrast, domain creation and domain substitution strategies enable an organization to modify its performance so that it changes with the evolving demands for products and services. Domain creation focuses on developing new domains of activity to supplement the current organizational domain, whereas domain substitution is directed toward replacing an existing organizational domain with a new one.

The automotive manufacturers provide examples of domain creation and domain substitution strategies during the late 1960s and early 1970s as consumer preferences started to shift from large to smaller cars. General Motors was the only major U.S. manufacturer to engage in domain creation during the early 1970s. It began creating a new domain after predicting that an energy crisis was likely in the future, and it initiated efforts to downsize its existing vehicle designs and to develop totally new vehicles. In doing so, GM became the first of the Big Three manufacturers to make a decision to compete directly with the imports.[3] In downsizing its product lines, GM shifted its domain emphasis toward smaller, more fuel-efficient automotive vehicles, which was a radical departure for the premier manufacturer of large passenger vehicles. And, in taking these actions, GM attempted to evolve with what it perceived as the likely direction of consumer preferences for automobiles in the future.

The responses of the automakers to growing consumer interest in smaller automotive vehicles during the late 1960s and the early 1970s also provide examples of domain substitution strategies. Not having the inclination, expertise, or capacity to domestically produce subcompacts that could compete directly with the imports, the Big Three manufacturers began to import their own subcompacts to sell in the U.S. market during the mid to late 1960s. General Motors imported the Opel, which was originally produced by its German subsidiary and later by Isuzu, and the Chevy Luv truck, which also was manufactured by Isuzu. Ford imported the Ford Cortina, the Lincoln-Mercury Capri, and the Lincoln-Mercury Pantera from its subsidiaries in Britain and Germany. Later, during the mid-1970s, it imported the Ford Fiesta, which was designed and manufactured by Ford of Germany. During the 1960s, Chrysler imported the Sunbeam from its Rootes subsidiary in England, and the Simca from its subsidiary in France. Neither car sold well in the U.S., and Chrysler replaced them during the early 1970s with the Cricket and Colt, respectively produced by Rootes and Mitsubishi. In selling "captive imports" in the U.S. market, the domestic automakers were attempting to substitute the expertise of other manufacturers for competencies that were not available in their organizations, but were necessary for adapting to a changing market.

In the public sector, domain defense and domain creation strategies have been employed during the 1970s by many colleges

and universities that had specialized in the liberal arts and sciences. As noted earlier, student interests shifted away from the liberal arts and social sciences to the professions and applied sciences. Domain defense strategies were apparent in debates and pronouncements about the central role of the liberal arts in higher education (McGrath, 1979; Report of the Commission on the Humanities, 1980; Stanley, 1982). Proponents argued that these institutions should be preserved in the face of declining enrollments and revenues because of their intrinsic value to American society. The intent of such pronouncements was clearly the protection of these institutions as demand shifted away from their areas of expertise.

Domain creation strategies often follow domain defense strategies because, at best, defensive strategies are usually holding actions that provide organizations with temporary respite from changing environmental demands. For example, many liberal arts institutions, faced with declining demand for liberal arts courses, expanded their curricular offerings into high demand professional areas, such as business, engineering, and nursing (Zammuto, 1984). This strategy was particularly successful when institutions were able to use existing faculty and facilities, or supplement them with other relatively inexpensive resources, such as community volunteers or adjunct faculty.

When organizations are faced with the need to change domains quickly because of rapidly changing demand and cannot implement a domain creation strategy, or they do not have the technical competencies for developing a new domain of operation, domain substitution strategies are appropriate. A clear case of domain substitution was provided by the National Foundation for Infantile Paralysis when it changed its emphasis to research on birth defects and became the March of Dimes after the threat of polio had been eradicated (Sills, 1959). Demand for its original services, research on polio, dissipated because the organization had successfully accomplished its primary goal.

In short, Zammuto and Cameron (1985) suggest that coping with shifts in demand away from an existing organizational domain requires that an organization select strategies that enable it to either forestall the shift in demand (domain defense), or change its products and services as shifts in demand occur (domain creation and domain substitution). An important caveat to this is that some

special-purpose public sector organizations are restricted to specific domains of activity by their enabling legislation or by their corporate charters. For example, school districts are limited in the types of services that they can offer as are many federal agencies, municipalities, and so on. Such organizations have a limited potential for engaging in domain creation and domain substitution strategies. In these instances, special-purpose organizations have to engage in domain defense, offense, and consolidation strategies that bring their operations into line with available resources and demand. If the depletion of resources or demand is severe, such organizations may face one of two choices. They can consolidate or merge with another organization, which can assure that the remaining demand for services will be served, or they can close their doors.

Finally, comparison of the changes in the automotive industry environment and the strategies employed by the automakers during the early 1970s and early 1980s clarifies the distinction between the two types of environmental change and the importance of selecting appropriate domain strategies. During the early 1970s, the changes in the industry environment were due to qualitative changes in consumer demand for automotive products. Consumer preferences shifted from large to small cars, a trend that accelerated rapidly after the onset of the Arab oil embargo in 1973. To survive, the automakers had to manufacture vehicles that were different from those they had produced in the past. In the terminology employed earlier, they had to "do the right thing" and produce the types of vehicles that the consumers wanted.

In contrast, the major change that occurred in the industry environment between 1980 and 1982 was a substantial decrease in the level of demand for automotive products, which was primarily due to prevailing economic conditions. Unlike the situation that existed in the early 1970s, the automakers had or were about to introduce a variety of fuel-efficient vehicles that were consistent with consumer preferences. The underlying basis of competition among the domestic and import manufacturers was not the type of vehicle produced, but the relative price and perceived quality of these vehicles. As a result, the automakers had to engage in strategies that focused on "doing things right" (i.e., manufacturing a high quality, price competitive passenger vehicle) as they were already "doing the right thing" (i.e., manufacturing fuel-efficient vehicles).

The importance of matching appropriate strategies to these two types of environmental change is clearly apparent when the relative success of GM, Ford, and Chrysler are compared. GM understood the changes that were occurring in the environment during the early 1970s and engaged in strategies that allowed the organization to change its performance as consumer preferences evolved. In other words, it focused on "doing the right thing." In contrast, Ford and Chrysler emphasized strategies that increased the efficiency of their operations, or on "doing things right." The result was that they did not modify the products they offered as consumer preferences changed. Although producing large cars more efficiently, the demand for large cars was rapidly decreasing and being replaced by demand for smaller vehicles. The impact of this miscalculation was pronounced. GM gained two to three years on Ford and Chrysler in downsizing its existing fleet and designing new vehicles. This advantage placed GM in a much better position to weather the 1980-1982 recession. The error in judgment made by Chrysler about the nature of changes in its environment and of appropriate strategies for coping with these changes almost resulted in bankruptcy. And, the losses of Ford's North American operations jeopardized the firm's ability to fund product development programs for the design of future vehicles. As a result, GM emerged from the recession in a relatively better position as compared to Ford and Chrysler.

CONCLUSION

The essential lesson public sector organizations may learn from the auto industry is that they have to gain an understanding of their environment and the possible directions in which it may evolve. Only then can strategies be planned and undertaken that increase the viability of the organization over the long run. If organizations do not understand the evolutionary dynamics of environmental change, they run the risk of decline.

The type of retrenchment strategy employed by an organization also has to be congruent with the nature of the environmental change that caused decline. If decline results from a diminution of resources in the environment, the organization has to become more efficient.

If decline is caused by a qualitative shift in demands for performance, the organization has to change its performance so that it evolves with the environment. Through the use of environmental scanning and strategic planning techniques, an organization is enabled to select strategies that not only increase its chances of survival but that may yield significantly improved long-term performance.

NOTES

1. This formulation focuses on how changes in the environment may lead to decline for the preponderance of organizations within a given organization population. It excludes the incidence of decline in isolated organizations that is caused by mismanagement, a situation that is adequately dealt with in the organization science and public administration literatures.

2. A detailed analysis of the experiences of the automotive industry during the 1970s can be found in Zammuto (1982b).

3. Earlier U.S. entries into the small car market—the GM Corvair, the Ford Falcon, and the Chrysler Valiant—were larger and more expensive than the imports. As a result, they did not compete directly with the imports. Their introduction in 1959 did dampen consumer interest in the imports, with the import share of sales dropping from 10.1% in 1959 to under 5% in 1962. But through the 1960s, the domestic compacts grew larger and more expensive. As a result, the import share of sales rose to above 10% in 1968. Ford and GM introduced their second entries into the small car market in 1969 and 1970—the Pinto and the Vega. But, as was the case with the earlier compacts, they were larger and more expensive than the imports, and they did relatively little to draw sales away from the imports.

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The Labour Party in Great Britain has been committed to the principle of equality and has addressed itself both in rhetoric and in practice to furthering the equalitarian ideal in power and authority relationships in English society, viz., in Parliament and industrial organizations. However, though the Party has relied heavily on the bureaucracy for effecting social democracy, the Party has had little interest in equalitarian access to the Higher Civil Service, which has traditionally recruited predominantly middle-class Oxbridge graduates. The explanation lies in the joint membership of Labour Party intellectuals and civil servants in what Edward Shils, has called the "aristo-gentry" culture.

SOCIAL DEMOCRACY AND BUREAUCRACY The Labour Party and Higher Civil Service Recruitment

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> The English, of all ranks and classes, are at bottom, in all their feelings, aristocrats. They have the conception of liberty, and set some value on it, but the very idea of equality is strange and offensive to them. They do not dislike to have many people above them as long as they have some below them, and therefore they have never sympathised and in their present state of mind never will sympathise with any really democratic or republican party in other countries. —John Stuart Mill, 1858.

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> Wherever there has been a court, it has furnished the standard of good-speaking, and with this also the standard of style for writers. The court language, however, is the language of the courtier who *has no profession,* and who even in conversations on scientific subjects avoids all convenient, technical expressions, because they smack of the Profession; on that account the technical expression, and everything that betrays the specialist, is a *blemish of style* in countries which have a court culture. —Friedrich Nietzsche, 1882.

From its inception the Labour Party in Great Britain has claimed that it is a social democratic party committed to equalitarian ideals, yet the party has had remarkably little to say about equality[1] with regard to elite recruitment to the top ranks of the Higher Civil Service (Cole, 1969: 65-81). Since the Trevelyan-Northcote professionalization of administration in the 1850s, highranking bureaucrats have been drawn from a very narrow segment of British society. They have been heavily representative of the middle classes and of Oxford and Cambridge and have been members of what Edward Shils has called the "aristocratic-gentry culture," that is, the culture that, though composed primarily of the middle classes, embraces the values, tone, and lifestyles of the upper classes (Shils, 1950: 15).

To be sure over the years there have been Labour Party criticisms of elite recruitment of Higher Civil Servants and recommendations for the amelioration of such. Nevertheless, with the exception of a few working-class militants whose views have never held sway in party pronouncements, programs, or policies concerning the issue, the criticism has not centered on notions of inequity or unrepresentativeness per se but rather on issues of efficiency and productivity (Cole, 1942: 5; Webb, 1901: 7; Balogh, 1968; Crowther-Hunt, 1980: 373-399). Of course there is nothing unusual in the Labour Party or any other according rationality in administration great importance, and there is especially nothing unusual in a social democratic party advocating highly centralized collectivist public policy having this as a key concern; one would expect it. What is surprising, however, is how little Labour criticism has ever focused on the problems posed for equalitarian democracy by elite recruitment and how seldom recommendations for recruitment reform have included

making the bureaucracy representative of the community or of the working class.

It is important to stress that what is being questioned here is not Labour's failure to democratize the Higher Civil Service in practice; for the egalitarianism of Labour practice has always been tempered by such things as the party's commitment to peaceful constitutional change, the party's short periods of office holding, and the party's operation within a highly developed capitalist economy. Thus the point here is not that Labour has been a thorough-going radical equalizer knocking down every bastion of privilege and power in British society with the exception of the civil service. But rather the point is that there is something odd about the paucity of Labour theory or even rhetoric concerning the recruitment of a social elite to operate the state.

The inattention to this issue is particularly striking in light of the vociferousness of the party's radical left with regard to the need for democratizing the industrial workplace. Despite the fact that labour has had modest accomplishments with regard to worker control, Labour has had an enormous amount to say about the problem. Labourites have engaged in substantial armchair philosophizing and have given lots of lipservice to wresting control from a middle class managerial-elite in industry. By marked contrast, Labour has had little of a similar vein to say about such an elite in the public service.

This essay will ultimately seek to explain Labour Party attitudes toward elite recruitment by placing them in historical, cultural context. Generally, the answers lie in an exploration of the transmigration of particular elements of an ancient aristocratic cosmology into modern democratic England and the impact of these elements on Labour Party egalitarianism. More specifically, the answers involve an understanding of the role of the mid-Victorian intellectual elite in the transmission of these values from one epoch to the next; for in a deft sleight of hand, these nineteenth-century thinkers transmogrified gentlemanly entitlement to rule from the persona of the eighteenth-century aristocrat to the late-nineteenth-century middle-class professional. Even more specifically, the answers involve the influence of the intellectual elite of the Labour Party, most particularly the Fabians, on Labour Party attitudes toward gentlemen administrators.

Despite the shroud of secrecy surrounding the interworkings of the civil service—owing both to norms of the corps and the legislative dictates of the Official Secrets Act—enough has been known about the roles of civil servants in the public policy process for it to be clear that throughout most of the twentieth century and, hence, the life of the Labour Party, the bureaucracy has wielded substantial independent power. In fact currently, other than being removed by definition from final ministerial and parliamentary decision making, Higher Civil Servants appear to exercise significant power in the public policy process at all stages. They engage in agenda setting and policy formulation through consultation with outside groups and across departments and by researching and drafting policy positions for Ministers (Christoph, 1975: 29, 42-43; Eckstein, 1963: 408-421; Great Britain, 1977: xiiv-xlvii; Smith and Polsby, 1981: 147-152). By statutory mandate, they are involved in adjudication in certain kinds of policy disputes and in legislating through the promulgation of written rules (Barker, 1966: 35-36; Christoph, 1975: 29, 45-46). And they are, of course, engaged in the everyday implementation of public policy. Admittedly, the scope and depth of bureaucratic power has not always been this large, but over time there has been noteworthy consistency in the views of close observers of Whitehall to the effect that the bureaucracy has often been dominant over the legislative branch in the making of English public policy. Hence it seems fairly apparent that members of the Labour Party could not have been entirely ignorant of the functions and powers of the bureaucracy—in particular not after Labour governments had been in office. The myth of ministerial responsibility and a subservient civil service to the contrary not withstanding, the British Higher Civil Service has embodied substantial political power since the founding of the Labour Party.

In addition it is also clear that Labourites could not have been wholly ignorant of the elite social class and educational backgrounds of civil servants. Top administrators have always been drawn from elites in British society, and though the nature of these bureaucratic elites has varied over time, there has been remarkable continuity in their perspectives, values, and tone. Originally top level civil servants came primarily from the upper classes, but by the mid-nineteenth century these administrators came predominantly from the middle classes though small numbers of the aristocracy and gen-

try remained and in some instances continued to dominate particular departments (Armstrong, 1973: 34-35; Kingsley, 1946: 56).

The mid-nineteenth century civil service was a bulwark of patronage and inefficiency (Chapman and Greenaway, 1981: 36-38), as Anthony Trollope so well chronicled in *The Three Clerks* (Trollope, 1900), and consequently gave way under the scrutiny of the liberal reform movement. So pronounced was public dissatisfaction with the bureaucracy that the then Chancellor of the Exchequor William Gladstone appointed Charles E. Trevelyan and Stafford H. Northcote (respectively Sir Gregory Hardlines and Sir Warwick West End in Trollope's novel) to provide a plan for obtaining a more efficient Higher Civil Service (Chapman, 1970: 20-21; Nicholson, 1967: 50). In their *Report on the Organization of the Permanent Civil Service,* Trevelyan and Northcote recommended recruitment methods that to this day have favored the educationally privileged middle classes, especially graduates of Oxford and Cambridge. This was to be expected given the extent of both Trevelyan's and Northcote's personal and professional ties to and ongoing consultation and collaboration with the Oxbridge-educated intellectual elite of the era. Northcote was a graduate of Balliol where he was a contemporary of Benjamin Jowett (Trollope's Mr. Jobbles) who as a fellow and tutor of Balliol came to act as a key advisor to the Report (Chapman, 1970: 20-21; Fry, 1969: 67-69). Trevelyan, although not himself a product of Oxbridge, had close association with its graduates and their ideas concerning education, the professions, and the public service[2]—especially through his relationship with his brother-in-law, Thomas B. Macaulay, a Trinity, Cambridge graduate and fellow, whom Trevelyan first met at Haileybury when the latter was a student preparing for a career in the Indian Civil Service.

Later, Macaulay, a member of the Supreme Council of the East India Company, was asked to chair a committee (of which his close friend Jowett was also a member) to reform the recruitment and curriculum for Haileybury. Macauley, is known to have consulted with Trevelyan concerning his ideas before authoring the *Report on the Indian Civil Service* that profoundly influenced the Trevelyan Northcote recommendations (Macaulay, 1968-1969: 119-128). The centrality of Oxford and Cambridge to the Macaulay Report is noteworthy in this connection: the Report contended "that a con-

siderable number of the civil servants of the Company should be men who have taken the first degree in arts at Oxford or Cambridge" and recommended entrance examinations and a curriculum that in large measure revolved around the curricula of Oxford and Cambridge (Macaulay, 1968-1969: 119-128).

The Trevelyan-Northcote Report recommended selection on the basis of a competitive literary examination to be designed, administered, and evaluated by a Board of Examiners who, they said, "should either include or have the means for obtaining the assistance of persons experienced in the education of the youth of the upper and middle classes (Northcote and Trevelyan, 1968-1969: 112). With this said, they had implicitly given the nod to Oxford and Cambridge as the best source of able public administrators, for it was in Oxbridge that youths of these classes were most readily to be found—a fact made entirely clear after the first Board of Examiners constructed the examinations on the basis of the curricula of these two universities.

The bias toward Oxbridge upper- and middle-class entrants was further enhanced after World War I when the civil service added an oral component to its recruitment procedures in response to the 1917 Leathes Committee recommendation for a viva voce examination (Fry, 1969: 75-81). Any kind of oral interview has been advantageous to the Oxford- and Cambridge-educated upper and middle classes as these candidates have been more likely to communicate most effectively in terms of both manner and content with the examiners who have been of similar social and educational backgrounds. There is little question that in a country where social class has traditionally been intimately tied to accent, intonation, enunciation, and choice of words—in short verbal style (Shaw, 1967: 20-21; Pear, 1956; Mitford, 1956), Oxbridge students would be more likely to make a better impression than their non-Oxbridge counterparts when interviewed by people of the same social class. The Oxbridge link is particularly important because in this century the accent of the cultivated English gentleman has been so closely associated with educational background. With the mid-Victorian expansion and proliferation of the public schools, which drew their students from throughout the country, there emerged what might be called a national public school accent, which has by now become the hallmark of the gentleman and gentlemanly entitlements (Lewis

and Maude, 1950: 15; Wilkinson, 1964: 9). Over the years, this accent has most commonly resided in and been identified with Oxbridge and select secondary schools: Either students matriculating at these educational institutions have known upon arrival how to speak or have learned how to do so while in attendance.

Owing to the particular nature of the post-World War I oral examinations, upper- and middle-class applicants of superior educational background have had an added advantage to the one they would normally have possessed in any oral interview. These candidates have been more likely to be able to respond substantively in ways that would impress the examiners given the nature of the interview. The interviewers have been free to ask the candidate anything whatsoever as R. K. Kelsall (1955: 70) points out in these quotes from examiners: One examiner explains, "Directly the young man comes in I try to put him at his ease, by looking at his record, and saying, 'You were at Rugby: you went on to Corpus, you got a scholarship there.' Another says that he asks the candidate, " 'Have you been abroad much?' . . . You ask almost anything which occurs to you to find out what his interests are, and how he reacts to other people and things" (Kelsall, 1955: 70-71). Kelsall goes on to say:

> Little perspicacity is required to see how this kind of approach would prejudice the chances of a candidate from the lower social strata, where no point of contact, in his educational career or elsewhere, existed between him and the Chairman . . . The recital of the names of his particular schools and university would be unlikely to establish a bond of sympathy between him and members of the board. His failure to travel abroad would be too easily attributed to narrowness of outlook or lack of the spirit of adventure rather than to the necessity of earning a living during vacation.

Kelsall's contention that the oral examination is biased against working class applicants and those who have not attended Oxbridge has been corroborated by contemporary social scientific investigations into the social class backgrounds of top civil servants. These studies present evidence of an overwhelmingly middle class and Oxbridge Higher Civil Service—though it should be pointed out that

these studies do not distinguish upper- from middle-class applicants but instead collapse these categories into "middle classes." In particular the Fulton Committee investigations into Method I and Method II are highly revealing in this regard. After World War II, the Civil Service put in place two separate methods of selection—Method I, which relied heavily on a written examination for choosing direct entrants and Method II, which did so on the basis of an extended interview (Great Britain, 1968-1969: vol. 3, pt. 1: 55). Although Fulton researchers revealed that since the war, direct entrants to the administrative class—whether through Method I or II—had been increasingly middle class owing to growing numbers of middle-class applicants, the Fulton investigators also noted a marked difference between the two methods in terms of the social classes recuited. Over five consecutive groups of years from 1948 to 1967,[3] those recruits entering by Method I "were consistently more likely to be of working class origin" (Great Britain, 1968-1969: vol. 3, pt. 1: 59), than those entering via Method II.

Of particular interest to the Fulton researchers was the fact that over these same years Method II had become the dominant method of selection with a concomitant drop in the intellectual caliber of recruits as measured by quality of degree taken. According to the Fulton samples, prior to the war 78% of direct entrants to the administrative class had firsts and upper seconds, and in the period 1961-1965 the percentage had dropped to 55% (Great Britain, 1968-1969: vol. 3, pt. 1: 406). Although complete figures supplied by the Civil Service Commission for the period 1948-1967 have tended to give a contrary picture of relative stability in firsts and upper seconds,[4] the Civil Service Commission figures, nonetheless, have offered support for a picture of overall decline in academic quality: Commission figures revealed that the proportion of lower seconds had increased from 6% in the years 1948-1956 to 12% in the years 1964-1967 (Great Britain, 1968-1969: vol. 3, pt. 1: 407). Fulton samples also showed a marked jump in lower seconds, from 4% before the war to 21% in 1961-1966 (Great Britain, 1968-1969: vol. 3, pt. 1: 407). Moreover, although from 1964 to 1967, half of the applicants who possessed firsts were rejected, 12.5% of those accepted had received (or eventually would receive) lower seconds or thirds (some of these were ultimately rejected once their degree results were revealed) (Great Britain, 1968-1969: vol. 3, pt. 1: 407).

The Fulton researchers concluded that the commissioners were seeking recruits with extra-intellectual qualities and "these qualities appear to be strongly associated with attendance at public and other fee paying schools and at Oxford and Cambridge" (Fulton vol. 3, pt. 1: 407-408n). The Civil Service Commission investigations into the two groups revealed that of those with firsts who were rejected, 42% came from public and other fee paying schools and 58% from Local Educational Authority grammar schools (Great Britain, 1968-1969: vol. 3, pt. 1: 407-408n). More significantly, of those with lower seconds and thirds who were accepted over the rejected firsts, 76% came from the public and fee paying schools, and only 24% from the state grammar schools (Great Britain, 1968-1969: vol. 3, pt. 1 : 408n). In addition, of those with firsts rejected by the Civil Service, 30% came from Oxbridge and 70% from other universities (Great Britain, 1968-1969: vol. 3, pt. 1: 408n). But even more importantly, 70% of the lower seconds and thirds who were preferred to rejected firsts came from Oxford or Cambridge whereas only 30% came from other universities (Great Britain, 1968-1969: vol. 3, pt. 1: 408n).

As a consequence of these findings, the Fulton Report recommended a future inquiry into the methods and their biases. Such an inquiry took place in 1969 under the direction of J.G.W. Davies, a Cambridge graduate who had worked in the War Office Directorate for Selection of Personnel during the war and who was secretary of the Cambridge University Appointments Board, 1952-1968.[5] Of the other four members of the Davies Committee, two were also Cambridge graduates and in addition were members of the Civil Service Final Selection Board (Kelsall, 1955: 142). Their conclusion: there was "no evidence of bias in Method II itself either in the procedures or on the part of the assessors" and that Method II was "a selection system to which the Public Service can point with pride" (Fry, 1981: 137). Their recommendation was that Method I be scrapped, and the government subsequently followed that recommendation in 1971. Thus, despite all the Fulton concerns about the Oxbridge biases of Method II, ironically only Method II remains and with it the continuing diminution of the academic quality of appointees.[6] And the Oxbridge biases as well as the middle-class biases have also remained.

"In the mid-70s, the profile of external recruits was as follows: more than half came from public schools, almost two-thirds came

from Oxbridge, and most were arts graduates" (Crowther-Hunt and Kellner, 1980: 137). In 1978, the most recent year for which any detailed figures are available, the success rate of those external candidates on the first-stage written qualifying test was 37% of those individuals from private and direct grant schools versus 25% from maintained schools and 50% from Oxbridge versus 22% from non-Oxbridge universities (Crowther-Hunt and Kellner, 1980: 121). Furthermore, the figures on those candidates successfully emerging from the written examinations and proceeding to the second-stage Civil Service Selection Board oral examination reflected the same pattern of recruitment: 58% of candidates from private and direct grant schools survived the competition versus 45% from maintained and 63% from Oxbridge versus 42% from non-Oxbridge universities (Crowther-Hunt and Kellner, 1980: 123). Thus, not only has Oxbridge remained a good route to the upper reaches of the Civil Service but also Oxbridge in combination with a public school, an even better one. For example, in 1976, "Oxbridge applicants for the Civil Service from the public schools formed 29.9 percent of the total applications, but Oxbridge applicants from the public schools formed 42.4 percent of the Oxbridge successes" (Great Britain, 1977, vol. 1: xviii).

Oxbridge recruits have, hence, continued to dominate the upper reaches of British administration even though the percentage of Oxbridge entrants has declined since the beginning of the century. Prior to World War II, all the recruits (with a few exceptions from Edinburgh and Dublin) were from Oxford and Cambridge (Kelsall, 1955: 142), whereas by the early seventies only 50% were from Oxbridge (Great Britain, 1977: vol. 1: xviii). Nevertheless, rather than these percentages suggesting a lessening in Oxbridge dominance, the figures point in the opposite direction, for at the same time that the number of Oxbridge graduates entering the civil service has been gradually declining, Oxbridge graduates have been constituting a dramatically reduced proportion of the university graduate population. For example, by 1962 only 16% (Great Britain, 1963: vol. 1: 11) of the university population was attending Oxford and Cambridge, and yet (as we can see above) in the early seventies, these two universities were still supplying 50% of the civil service entrants. Furthermore, not only have Oxbridge graduates come to constitute a smaller and smaller percentage of university graduates but also Oxbridge applicants to the Civil Service have come to constitute a

smaller and smaller proportion of applicants for the top ranks of the civil service.

The educational data is indicative of more than the continuing existence over the years of a meritocratic Oxbridge elite; the educational data also suggest the continuing existence of a middle-class elite as well. The prominence of public school graduates points to a middle-class selection bias because attendance at public school is still very much tied to the size of the family purse. In addition, in spite of decades of the Labour Party battling an elitist educational system and effecting a number of postwar reforms (with much Tory cooperation and participation it should be added) designed to democratize higher education, the university system, whether Oxbridge or the other universities, has remained the preserve of the middle classes. As Maurice Kogan has observed:

> For a long time, the leading theme of Labour Party policy was meritocratic: expand the number attending school, build more schools, improve the whole educational system, provide free secondary education for all, and give access to grammar and higher education for all able young people. It was not yet understood that the stronger rather than the weaker members of the community would benefit most by getting access without fees to selective education. As grammar schools ceased to charge fees, the proportion of middle class entrants increased. The social composition of the groups entering universities also remained biased towards those from the higher socio-economic classes (Kogan, 1978: 31).

Kelsall, Poole, and Kuhn in their social mobility study of 1960 graduates found that only 13% of Oxbridge men and 6% of Oxbridge women were of working class origins as opposed to 35% men and 23% women at the larger civic universities (institutions such as Manchester or Leeds) (Kelsall et al., 1972: 191). This same study revealed that only 14% of the working class in their sample attended Oxford whereas 45% of the professional middle class did so. And although Oxford has vastly increased its number of places in the wake of the Robbins Report, it is not clear that the number of working-class students has increased as a consequence (Layard, 1967: 42). In fact given that the large civic universities have created nearly five times as many places for new students as Oxbridge, one

might reasonably assume the contrary, for working-class students more often apply and attend the large civic institutions.

In addition, even though the rest of the English universities have taken many more working-class students than Oxbridge, the fact remains that the entire university system is markedly middle class. Only 24% of the Kelsall et al. (1972: 178), sample were children of manual workers and the Robbins Committee findings are similar: 25% in 1955 and in 1961-62 (Great Britain, 1963, vol. 1: 4). Hence, despite the fact that since the war the actual numbers of working-class students at British universities have been increasing, the proportion of working-class students relative to middle-class students has not.

Furthermore, it is clear from data collected on the social class backgrounds of postwar recruits that working-class university graduates in any case have not constituted an increased percentage of upper-level civil servants. To the contrary, Fulton Report data indicates that from 1948-1956, 77% of those recruited came from middle-class households; 1957-1963, 83.3%; 1964-1965, 83.3%; 1966-1967, 75.7%; (1968-1969, vol. 3: pt. 1: 52) 1971, 68.7% men and 69.8% women; and in 1975, 76.2% men and 82.7% women (Great Britain, 1977: vol. 2: 235). Thus, since the war, the Higher Civil Service has increased its percentage of middle-class recruits almost without interruption.

It should be added that the size of this social class elite may well be larger than the above figures indicate if some measure of elite status other than father's occupation had been used, for example, shared lifestyle, values, and the like. For it is probable that a substantial number of working-class recruits have been socialized through their schools and universities into the elite prior to recruitment. Working-class students who have attended prestigious secondary schools and Oxbridge have often acquired middle-class manners and morals by the time of graduation. There has been a vast amount of research on the powerful socialization roles played by the public schools and Oxbridge, for example, the work of Sheldon Rothblatt (1968), Rubert Wilkinson (1964), Phillip Woodruff (1954), or Michael Young (1961). Furthermore, it is likely that a fair amount of socialization goes on within Whitehall itself and, hence, high level civil servants may come to share a common perspective rooted in the culture of the Oxbridge-educated middle classes. Consequent-

ly, the impact of the middle-class Oxbridge elite in recent years may have far exceeded its actual numbers owing to its traditional dominance in the service in terms of establishing the organizational norms or culture of the bureaucracy.

Contemporary social science has, thus, succeeded in confirming what casual observers and government insiders have known all along: The top levels of the Higher Civil Service have been primarily drawn from a social elite and that this middle-class cadre has wielded significant power, independent of parliamentary control. Despite the fact that members of the Labour Party cannot have been unaware of the middle-class character and power of the Higher Civil Service, few Labourites have ever addressed the question of ameliorating or reforming this kind of class power. If the Labour Party had not professed itself a social democratic political party and if Labour had never concerned itself with redistribution of power, this would be easier to understand. More often than not, however, Labour Party spokesmen, far from being antagonistic to such elite administration, have extolled the virtues of the bureaucracy. And this from a Party the constitution of which states as part of its objectives:

> To secure for the workers by hand or by brain the full fruits of their industry and the most equitable distribution thereof that may be possible upon the basis of common ownership of the means of production, distribution, and exchange, and the best obtainable system of POPULAR ADMINISTRATION AND CONTROL OF EACH INDUSTRY OR SERVICE. [Labour, 1981: 279]

In addition, one finds this lack of concern with unrepresentative recruitment coming from a party that originated in a desire of working-class Labour to have a fair share of parliamentary power. The schism that developed between the Liberal Party and the various groups that broke away to form the forerunner of the modern Labour Party, the Labour Representation Committee, had at its core the desire of Labour to have its own representatives in Parliament (Beer, 1967: 147). The middle-class Liberals welcomed the working-class support of its left wing but by and large would not relinquish parliamentary seats and ministerial positions to them. In

short, the Labour Party arose from the conviction of its members' factions that the furtherance of their respective interests—whether the socialism of the Independent Labour Party or the promotion of worker rights of the trade unions—was contingent on their sitting in Parliament.

An examination of Parliamentary Papers, Labour Party Conference Reports, and Trades Union Reports throughout the existence of the Labour Party, however, reveals little concern with widening access to positions in the upper reaches of the bureaucracy—in fact reveals little concern of any kind with the bureaucracy. For example, at Labour Party Conferences from 1900 to the present, Higher Civil Service recruitment was mentioned but six times (1920: 181; 1923: 46; 1946: 27-28; 1947: 34; 1956: 80; and 1963: 54). Of these only four involve demands for democratization of administration (1920: 181; 1923: 46; 1946: 27-28; and 1956: 80), and even these demands illustrate the unimportance of administrative elite domination for the Labour Party. For unlike the issue of worker control of industry, which has repeatedly been a central topic in various conferences and debates, worker representation in the Higher Civil Service never reached the conference floor. All four calls for worker-civil servants appeared merely as printed resolutions profferred by individual constituency Labour parties or the I.L.P. to the Party, as resolutions that were neither debated nor adopted.

Furthermore, an examination of the views of leading Labour Party spokesmen yields little that would suggest much Labour concern with administration on any grounds. For instance, an inspection of *The Times* over the course of the careers of two such vociferous and fiery orators as Keir Hardie and Aneurin Bevan, reveals not one speech from either man concerning the Civil Service, let alone its elite character. Interestingly, Hardie did sign the following "Parliamentary Report" to the I.L.P., which does suggest that he was cognizant of and antagonistic to elite administration:

> Our short experience has been sufficient to teach us that it is important to democratise our administrative departments as it is to democratise our Statute Book. We have found that the doors to the higher offices in Whitehall are closed to everyone who has not had a middle-class or aristocratic education, and recent changes have placed our Civil Service more completely in the hands of the wealthy classes (Cole, 1942: 7).

Nonetheless, Hardie, despite clear cognizance of the issue, never saw fit to make it a major or even minor part of his policy pronouncements or democratic rhetoric. And Hardie was not alone in this, for no leading Labour figure has ever done so.

Several prominent Labour Party spokesmen have, however, taken up a related issue involving the tension between bureaucracy and democracy. A brief exploration of their views sheds some light on Labour avoidance of, or uninterest in, the unrepresentative character of the Higher Civil Service. Following the Liberal strain in its heritage, Labour has occasionally taken up a position, more often associated in recent years with the Tories, and expressed concern for citizen rights and freedoms in the face of increasing agglomerations of state administrative power. But, whereas the Tories have recommended a reduction in the size of the state and the bureaucracy, Labourites have recommended increased popular and/or parliamentary control.

One of the first prominent exponents of popular control of the bureaucracy was H.G. Wells who in a broadside against the Webbs explained:

> The administrative Socialism which Mr. Webb and the Fabian Society developed . . . supplies us with a conception of methods of transition and with a vision of a great disciplined organization of officials, a scientific bureaucracy appointed by representative bodies of diminishing activity and importance, and coming to be at last the real working control of the Socialist State. But it says nothing of what is above the officials, what drives the officials. It is a palace without living rooms, with nothing but offices,—a machine, as yet unprovided with a motor. No doubt we must have that organization of officials if we mean to bring about a socialist state, but the mind must recoil with something like terror from the conceptions of a state run and ruled by officials, terminating in officials, with an official as its highest expression (Wells, 1919: 259).

In more recent years, the most prominent champions of the democratic control position have been Richard Crossman in the 1950s and Anthony Wedgwood Benn in the past few years. As Crossman (1956: 6) explained: "Actually, the growth of a vast centralized State bureacracy constitutes a grave potential threat to social democracy. The idea that we are being disloyal to our Socialist

principles if we attack its excesses or defend the individual against its incipient despotism is a fallacy." He added, "Yet far too many Socialists regard it as reactionary (or at least as no part of a Socialist's duty) to take up the cudgels for the individual citizen who feels that his rights have been violated by a Department of State, a public Board or a semi-public authority" (Crossman, 1956: 20). Crossman, as with Benn more recently, recommended increased popular control as a remedy (Benn, 1981: 65-67).

The position of the popular control advocates is interesting for several reasons. First of all, it is clear that they have analyzed the problem between bureaucracy and democracy as one of power pure and simple rather than of class power, and as a result they have subsequently recommended increased popular or political control as opposed to making the upper levels of the bureaucracy more representative. Secondly, and more importantly, the views of these individuals make clear the extreme bias of the Labour Party in favor of the civil service, that is, the extreme dependence of the Labour Party on the bureaucracy as the vehicle for effecting the socialist state.

From the early years forward, the Labour Party has had a substantial commitment to what Wells called "administrative socialism." Despite that small pocket of radical working-class antagonism to the monopoly of a social elite on the top civil service positions, the views of these radicals never held sway in the dominant thinking or policymaking of the party. The views that have predominated have come from Labour Party intellectuals, the most prominent of whom have been the Fabians but not all of whom certainly have been Fabians. The Fabian position has been that the best government is that which, in the words of Sidney Webb, "can safely and successfully administer most" (Webb, 1896: 6).

It is from the theoretical work of such intellectual, administrative socialists that one not surprisingly finds clear statements of Labour Party concern with Higher Civil Service recruitment and the efficiency of the state. In fact Sidney Webb argued in the formative years of the Labour Party that efficiency was the key source of dissatisfaction with government among the electorate and that the only way Labour M.P.s could constitute an effective opposition was to convince the public "that above all other considerations they stand for a policy of National Efficiency" (Webb, 1901: 7). How

was England to obtain national efficiency? The nation was to organize industry on the model of the state bureaucracy. The Webbs were almost invariably full of praise for top government bureaucrats whom they described as "of exceptional capacity and integrity." Indeed they were so impressed with civil servants they ended their *A Constitution for a Socialist Commonwealth* with the following:

> What the establishment of a genuine Cooperative Commonwealth requires in the way of an advance in morality is no more than that those who have the gift for industrial organization should be as public spirited in their work, and as modest in their claims to a livelihood, as is already normally the case among scientific workers, teachers in schools and colleges, the WHOLE ARMY of CIVIL SERVANTS OF EVERY DEGREE AND KIND, municipal officers of every grade, the administrators of the Cooperative Movement and the officials of the Trade Union world [B. Webb and S. Webb 1920: 67].

The affinity between early Fabianists and the civil service can perhaps be even better seen in this remarkable passage from George Bernard Shaw.

> The introduction of the system of open competitive examination, though it is but an installment of reform, has already made an immense difference, the elderly civil servant being now as obsolete as the snuffers which were once indispensable to every pair of candlesticks; whilst their successors are polite and efficient, often joining the Fabian Society and rendering notable services to the Collectivist movement in and out of office hours (Shaw, 1971: 111-112).

Similarly, G.D.H. Cole and Harold Laski both were concerned about civil service efficiency in the interests of which they recommended recruitment reform. Though both were full of overwhelming praise for the intelligence, integrity, and neutrality of the service, they both worried about the extent to which the Higher Civil Service might slow the progress of Labour policies. Neither Laski nor Cole argued that top civil servants were ideologically opposed



to Labour but rather that these bureaucrats were extremely cautious and gradualist in their approach to public policy and, hence, would act as a brake on Labour ministers. Laski explained the problem as follows:

> It is very difficult for any upper-class Englishman to know what is being thought in the classes below him; and, unless he is a very exceptional person, he is rarely imaginative enough to see the urgency of finding out. And since the administrative class is largely shut off—and the higher in its ranks the more shut off—from contact with those below it, especially in a social way, its knowledge of the psychology which underlies the wants it encounters is all too likely to be external and second-hand. What this affects, above all, is the civil servant's conception of the limits of possible action. The attacks made on his primary conceptions appear to him inacceptable because he has never had direct and continuous contact with the experience that has led to those attacks [Laski, 1938: 281-282].

At first blush, these remarks seem to make Laski quite the exception to the contention that intellectual Labour was indifferent to or even supportive of elite recruitment. However, the prescription for reform Laski proceeded to offer makes it clear that he was very little different from his fellow administrative socialists. He recommended on a trial basis promoting from within the lower ranks of the civil service those few individuals who showed particular promise. And who would these be?

> I see no reason, for example, why, up to some such age as thirty, a young official who has taken a good university degree, or qualified himself with distinction for the Bar, or done, as some have done, an interesting piece of social investigation, should not be given a temporary 'acting' appointment in a higher grade to see whether he can justify exceptional promotion [Laski, 1938: 279].

There is nothing in this prescription that guarantees against recruiting from the lower grades of the service individuals of the same social class as those sitting in higher grades. And most assuredly effecting this proposal would not alter Laski's contention that

the administrative class is largely shut off from the social classes beneath it.

Cole's recommendation was similar; he wished to recruit those able individuals from the lower ranks of the civil service to positions in the administrative class by enabling these individuals to obtain university degrees through scholarships, leaves of absence, and the like (Cole, 1942: 9).

Certainly, there is nothing unusual about two university social science professors thinking university degrees were a key criterion for entry to top civil service positions. Nevertheless, it is surprising that two of the leading English theorists of socialism should by and large have ignored the issue of how fully biased in favor of the middle and upper classes such a criterion would be. For none was in a better position than these two professors to know how few working-class students were attending universities or to understand the role of the universities and elite secondary schools in the socialization of working-class students. In principle, of course, these men were offering up meritocratic recruitment criteria as a replacement for those of social class as part of an effort to enhance state efficiency, but in practice Laski and Cole were still continuing to recommend the status quo.

Similarly, their fellow Fabianists in two separate reports, one in 1947 and one in 1964, also purported to recommend recruitment reform to increase bureaucratic rationality but in essence were proposing more of the same. The Fabian Report (1947: 5) entitled *The Reform of The Higher Civil Service* maintained that increased government control in industry and increased social services made "the efficient functioning of the Civil-Service . . . of the first importance in the very practical sense that the economic health of the country now depends on the vitality of its bureaucracy." The Fabian Report (1947: 5) contended that "the fact that we have in Britain what is probably the best Civil Service in the world, should not prevent us from asking how it may be improved."

One of the central conclusions of the committee was that the Civil Service could promote a more efficient, more vital service by widening recruitment to the administrative class. Such broadening of recruitment was to be accomplished through promotions from classes below the administrative and by bringing people (ages 30-40) from outside into the Civil Service (Fabian Report, 1947: 20-21).

The report made no suggestions for reforming the normal (nonwartime) recruitment procedures for direct entrants under 30, and in fact the report defended the procedures:

> The criticism is sometimes made that it is undemocratic to draw only on graduates (or rather on those who have spent at least one year at a university) for recruits, while the "house-party" gives an unfair advantage to the "public school type". To the first part of this indictment we reply that we think that a university degree is a desirable qualification and that any complaint must be made against the undemocratic nature of recruitment to the universities. We recognize that in spite of improvements in the educational system, entry to the universities is still not on a strictly merit basis. Guests from "house-parties" with very different social backgrounds themselves assure us that they do not think that the tests there favour the "socialite" unduly. Naturally, the person who is at ease in company, who can express himself and who is forthcoming is at an advantage, but surely this is to be expected and surely these are qualities required in a civil servant [Fabian Report, 1949: 18].

By 1964, the Fabian publication, *The Administrators* assumed a much more critical posture toward the Higher Civil Service. The chief concern of the pamphlet was with the slowness of administration to adapt itself to political, social, and economic changes: "This did not seem to matter much in previous periods. Now, however, it has become necessary to improve the instruments of policy to keep pace with changes in our society; indeed some alteration in the Higher Civil Service may be a prerequisite to enabling a Labour Government—or any other government—to carry through the modernisation of the country (Fabian Report, 1964: 1)." The Fabians criticized the administrative class for excessive amateurism, negativism, and secretiveness. The Fabian Report (1964: 41-42) offered eight proposals for remedying these ills, six of which involved recruitment either directly or indirectly: (1) a new Civil Service Commission; (2) an effort to widen the net and obtain more non-Oxbridge university graduates with degrees in mathematics and sciences; (3) free movement in and out of the service; (4) abolition of class distinctions between specialists and administrators; (5) an

increase in the number of specialists; and (6) prime ministerial appointment of a limited number of experts and political aides.

It is true that this report (Fabian Report, 1964: 25) made a nod to the democratization issue when it said, "if civil servants are to be broadly representative of the public they serve, they must be drawn from as wide a range of universities as possible and include natural scientists as well as social scientists, the products of the newest as well as the oldest universities." Nevertheless, the recommendations, as with the whole report (Fabian Report, 1964: 24) are directed to efficiency, not equity: "Our general aim is to make the Civil Service more professional, more adaptable to new methods and more creative in fulfilling new tasks. Furthermore, the quote above makes clear that the Fabian proposals were designed at best to democratize but partially—as had been true with all previous Fabian proposals—to make the civil service more representative of various universities and disciplines rather than of the population as a whole or of the working class.

It was the recruitment recommendations contained in *The Administrators* that subsequently came to inform Labour Party testimony to the Fulton Committee which had been appointed as part of the 1966 campaign promise of a former civil servant, then Prime Minister, Harold Wilson, to modernize Great Britain. Wilson charged the committee "to examine the structure, recruitment and management, including training of the Home Civil Service and to make recommendations" (Great Britain, 1968-1969, vol. 1: 107). The Labour Party began its memorandum to Fulton as follows: "This evidence has been drafted in the Party's Research Department in consultation with a number of people in the Party and our Fabian colleagues, representing a very wide and varied experience of the Civil Service" (Great Britain, 1968-1969, vol. 5: 653). The memorandum then outlined the basic Party position that the civil service was possessed of high integrity and intelligence but was not possessed of the technical expertise necessary for meeting the needs of modern Britain, and the memorandum concluded with a set of recommendations, sharing much in common with those in the 1964 Fabian pamphlet. The Labour Party recruitment recommendations were very similar to those of *The Administrators* with the primary emphasis being on increasing technical expertise and with the key proposal being to widen the net by bringing in more non-Oxbridge,

non-arts graduates (Great Britain, 1968-1969, vol. 5: 681-683). The only really significant difference in the recommendations was that the Labour memorandum, echoing the earlier Laski and Cole recommendations, proposed bringing in more talent from the lower grades of the service, by eliminating class divisions (Great Britain, 1968-1969, vol. 5: 681). But, once again, Labour Party concerns were with efficiency not equity.

And the same lack of concern with inegalitarian access was present in the Fulton Report itself. Fulton, as with these earlier documents, was focused on the concepts of modernization, technical specialization, and resultant increased systemic rationalization. And the conclusions of the Fulton Report were markedly similar to the Fabian and Labour Party position. The central recommendation had come to have an entirely familiar ring:

> Though the ancient universities of Oxford and Cambridge have played their part in this growth of the academic study of the problems of contemporary society, it has been most characteristic of the universities founded in this century. The date and circumstances of their foundation have ensured that their courses have been mainly designed to prepare their undergraduates for work in a modern industrial society. To draw more fully on this source of manpower, trained in these subjects would have many advantages for the Civil Service [Fulton Report, 1968-69, vol. 1: 28].

However, there was one Fulton recommendation that went well beyond this recommendation for net-widening in the interests of technical expertise: Fulton (1968-69: vol. 1: 28) suggested that in selecting graduates "more account should be taken of the relevance of their university courses to the job they are being recruited to do." And this was one of the few Fulton recommendations not accepted by the Labour government and the only recruitment proposal so rejected. Predictably, the Wilson government that had created and charged the committee was receptive to the work of the committee. The Wilson government accepted without question the other key personnel selection proposals for temporary employment of more outside experts by ministers, more mobility in and out of the service, and abolition of classes and institution of a unified grading system. What the Labour government did not like about the

"preference for relevance" proposal was that giving such preference might adversely affect the number of qualified candidates (Fry, 1981: 150). Nonetheless, the Wilson government went on to recommend an inquiry into the selection process and later set up the Davies Committee.

What has occurred in the intervening years between Davies and the 1980s has been, as was pointed out earlier, more "business as usual" in terms of the continued predominance of middle-class Oxbridge arts graduates, especially in the top positions in the Higher Civil Service. The reasons for this are several. First of all, as will be remembered, the Davies Committee in direct contradiction to the Fulton Report, claimed there was no recruitment bias and convinced a Labour government to eliminate Method I. Secondly, as Wilson explained to the Expenditure Sub-Committee in 1977, the Labour government had begun to focus its attention on more urgent issues as early as 1969, and by the 1974 Wilson government, Labour had dropped the issue completely (Great Britain, 1977, vol. 2, part 2: 788). And thirdly, though Whitehall adopted uniform grading to promote mobility, the civil service also used a system whereby top performers in the recruitment process were starred on admission. In all but name, these starred administrative trainees were the same elite high fliers targeted for top management positions who had constituted the old administrative class that had traditionally dominated the service (Fry, 1981: 151). And the elimination of the administrative class had been a key element in the Fulton proposal for increasing mobility.

Consequently, there has been a renewal of Labour party concern with elite recruitement. The strongest expression of this concern came from Labour MPs sitting on the 1976-1977 Expenditure Sub-Committee (1977, vol. 2, part 2: lxxvii) on the Civil Service who in their minority opinion said that they recognized "a bias of the civil service recruiting in its own image, a bias of the civil service in favor of the rounded individual of the sort created by the atmosphere of Oxford and Cambridge; and a bias of class, caste and cast of mind." In even more hard-hitting language, they went on to say that top civil servants entered Whitehall "with what Balliol men used to refer to as the unconscious realization of effortless superiority. Their self-anointed superiority brings them almost immediately up against their obvious and almost complete lack of ex-

perience, the lack of which does not improve as much as it might with their work, experience or training. In short, there is a conflict between their superior intellect and the little they have to offer in a practical way" (Great Britain, 1977: lxxix).

The Labour minority made four recommendations: (1) that the bureaucracy be "more relevant and efficient; (2) that the bureaucracy be properly accountable to the executive; (3) that the bureaucracy and the executive be properly accountable to Parliament; and (4) that the executive and Parliament both "accept the reality of the party political struggle as being the essence of democracy in Britain today" (Great Britain, 1977: lxxxv).

Once again, the two traditional Labour themes of efficiency and accountability arose in the statements of these Labour MPs. Their position shared much in common with the earlier mentioned views of Anthony Wedgwood Benn—perhaps not surprising given that the author of the minority Labour position was Mr. Brian Sedgemore, formerly Benn's private secretary. And once again even this more radical Labour position as measured by its strong class language and analysis, still does not really focus on equality and does not address itself to or recommend making the bureaucracy more representative.

In short, despite the fact that members of the Labour Party have been aware that the Higher Civil Service has been drawn from a social and educational elite, they have never objected to this state of affairs on equalitarian grounds and have seldom argued for broad-scale democratization of recruitment. To be sure there have been a few radical working-class equalitarian critiques and recommendations for representative reform, but the rest of Labour either has ignored the issue of bureaucratic recruitment or has objected to such recruitment nearly exclusively on grounds of inefficiency.

Why? The answer lies in the longstanding membership of intellectual Labour in the same culture as civil servants. The bulk of the leadership, as well as, as might be expected, almost all the theoretical work and policy research has emanated from intellectual Labourites, whether Fabian or not. An implicit or explicit assumption among these people has been that those civil servants in positions of leadership ought to be there as these top bureaucrats are some of the most able individuals available in society. If these civil servants are overwhelmingly middle class and Oxbridge, and if the

educational system is still not democratized, no matter, democratic socialism must, nonetheless, be driven by a superior engine. And this is the position of Fabianists and non-Fabianists: The Fabianists have always made a point of it, and most of the rest of the party has concurred or acquiesced—even leading working-class members have done so after holding national office.

There can be no diminishing the importance of the perception of the Labour Party of its dependence on the bureaucracy for achieving material equity and the way in which this has contributed to Labour turning a blind eye to the political inequality embodied in the Higher Civil Service. Labour has always felt a strong alliance with government because the party assumed that government was the only force strong enough to do battle with the evils of business and the capitalist order. As Samuel Beer (1967: 80-83) points out, theirs has always been a systemic or organic rather than an individualist analysis of inequality and prescription for change.

It is perhaps this hostility to business on the part of both the intellectual middle classes and the working classes in the Labour Party that has made both more vocal about worker control and representation in industry than in the bureaucracy, for both groups have traditionally loathed industrial management but for different reasons. On the one hand, workers have possessed a class antagonism rooted in feelings of alienation and exploitation as a result of working in the bottom rungs of the capitalist industrial order. On the other hand, intellectuals have possessed a class antagonism rooted in feelings of intellectual and moral superiority as a result of an acculturation process closely tied to university education, in particular to that of Oxford and Cambridge.

An understanding of the origins of the antibourgeois values of intellectual Labour is central to explaining the pro-Higher Civil Service bias of this same group. The antibourgeois, antibusiness position of Labour intellectuals owes far less to empathic identification with or a sympathetic concern for the position of workers in the capitalist industrial system—though surely they have given evidence of possessing such feelings—than to a historic acceptance of the values of the aristocracy and gentry. The landed classes, traditionally contemptuous of trade, were especially hostile to the rise of the nineteenth-century capitalist industrialist, perhaps because this particular breed of parvenu and the method of his livelihood posed

the possibility of revolutionary change in the ongoing order. These nineteenth-century industrialists with their emphasis on hard work, technical knowledge, and profit making struck at the foundations of the values of the aristogentry, most notably leisure, amateurism, and the quiet accumulation of the emoluments attached to their status.

What was this status? Who belonged to the aristogentry culture? Originally, of course, the status derived from the landholding of the feudality; hence, clearly those of noble lineage and owners of large estates possessed the status, but in addition so did members of certain professions (whether second or third sons of the aristocracy or more arriviste individuals) such as the clergy or higher civil servants or diplomats or naval officers. Now no doubt the various groups within this culture made innumerable social distinctions amongst themselves as any casual reader of Jane Austen realizes. Nonetheless, there existed enough commonalities for these different groups in the mid-nineteenth century to have formed a markedly recognizable—from within as well as without—status group: They constituted that group known as English gentlemen.

It was on this group that what has been called the Arnoldian revolution—the transformation of the top English public schools into proving grounds for "ruler trainees"—took effect (Wilkinson, 1964: 9). And it was this group that Oxford and Cambridge academicians attempted to educate for political leadership. Conventional wisdom has had it that both the public schools and the universities had undergone change in response to the large influx of manufacturers' sons into the elite educational institutions of the mid-nineteenth century (Wilkinson, 1964: 3-25). It has commonly been suggested that the top public schools and Oxbridge were attempting to socialize the ascendant business classes into the values and manners necessary to their assuming power. The Arnoldian movement allegedly set about the task of wedding "middle class morality to gentry-class style" in the character of the "Christian gentleman" (Wilkinson, 1964: 10). However, more recent research, most notably that of T. W. Bamford (1961) and Sheldon Rothblatt (1968), has suggested that there was not a large increase in the numbers of manufacturers' sons entering either the top public schools or Oxbridge and, hence, that these schools and universities were the province of much the same clientele as had always been the case, preponderantly gentry, clergy, and certain other professions.

There seem to have been two major reasons for Victorian educators moving the public schools and universities toward the provision of professional rulers—one an effort to create professional positions for members of the aristogentry culture and the other a defensive thrust against, in the words of Matthew Arnold, "industrialists, forming for the most part, the stout main body of Philistinism." Members of the aristogentry culture needed to ensure positions suited to their status and liberal educational background. The area of growth was of course in manufacturing positions, but business had little interest in a gentleman with a degree, and the gentleman with a degree had little interest in business (Halsey and Trow, 1971: 44-49). By forging links between the curricula of particular educational institutions and the bureaucracy, the Victorian educators created two professional outlets for liberally educated gentlemen, that is, the profession of administering the state as well as the profession of teaching (Rothblatt, 1968). By making a certain kind of classical humanist education a prerequisite to becoming a professional civil servant, they restricted access to this profession and enhanced its suitability for a gentlemanly career.

In addition, by making classical liberal learning a professional career path to the civil service, the Arnolds and the Jowetts also bolstered their own professional standing and enforced demand for classical, humanist scholars. Hence, these scholars were enabling themselves to go on teaching what they had always taught and were creating places for their intellectual confreres. These scholars and their universities could demonstrate their usefulness to the nation by being the sources of professional education without sullying themselves by teaching specialized courses, by imparting technical expertise. In doing so, as Rothblatt insightfully points out, they made use of two different notions of professional. They, of course, employed the term in its common meaning of "designated occupations or careers (Rothblatt, 1968: 90)." But, they also did so to mean variously: "a particular style of social, domestic life, a pattern of work and leisure that would suggest gentility . . . a social role that was not merely occupational but in fact profoundly moral . . . of compliance with a high ethical, altruistic standard" (Rothblatt, 1968: 91). "The donnish conception of a professional man and of his responsibility towards society resulted in an ideal of service that was sharply brought to bear against the Victorian businessman; and the businessman whether in finance, retailing, international trade or in-

dustry, predictably was found wanting" (Rothblatt, 1968: 91). Hence, through the public schools and universities, Victorian academicians set about institutionalizing aristocratic notions of noblesse oblige and prejudice against avowedly money-making occupations. They attempted to produce a professional cadre of people willing and able to rule for the public good as parry and thrust to what they perceived as the beginnings of an assault on the old order by a class of rapacious, self-interested, Philistines aiming at political and social power commensurate with their already sizable economic power.

It is through this elite educational system that most of intellectual Labour has traveled. Of those Labour intellectuals, quoted earlier on, who have addressed themselves to issues involving the bureaucracy, all but the Webbs, Wells, and Shaw were products of Oxford and public or grammar schools. Sidney Webb had been privately tutored in England and abroad and had been graduated from the University of London as had Wells, and Beatrice Webb had been educated at home and self-taught as was true of other upperclass women of the era as Oxbridge did not admit women until the 1880s. Shaw also was privately tutored and self-taught. Clearly then not all Labour Party intellectuals have attended grammar or public schools and Oxbridge; the aristogentry culture has always had room for the products of other universities, in particular London and Dublin, and for a gifted self-taught social scientist and reformer like Beatrice Webb or one of the most outstanding playwrights in the history of England like Shaw. Nonetheless, it is this elite educational system, forged by the Victorians that has continued to play a dominant role in the values and attitudes of the aristogentry culture, including those of its Labour Party members.

These aristogentry Labourites have thus never argued for representative, democratization of the Higher Civil Service because they simply have never believed in it. Despite their commitments to the equalitarian principles of a social democratic party, intellectual Labourites have had commitments to other inequalitarian values that have come to them through the interplay of social class and educational background. And because of the substantial leadership position this group has assumed in the Party over the years, these inequalitarian values have tempered Labour Party egalitarianism.

Too much of the literature on Labour Party ideology has focused exclusively on the legislature when examining attitudes toward de-

mocracy and representation. By concentrating only on the legislature, scholars and other observers quite correctly note the equalitarian break Labour makes with the hierarchical tradition of Tory, Whig, and even Liberal views as to who should rule, who ought to possess power. For Labour has argued neither for King nor King, Lords, and Commons nor for middle-class property holders but for the working class—with a few blackcoated workers if in Aneurin Bevan's words "they stand the strain" (Beer, 1968: 84). However, if one examines Labour Party attitudes or policies, or the lack thereof, toward who should have power in the bureaucracy, one arrives at rather different conclusions concerning Labour Party egalitarianism. To whom should bureaucratic power and authority go?—to people like the intellectual Labour leadership, well educated, civilized, restrained, and dedicated to provision of the public good. No Jacksonian democracy here. Labour Party commitments to equality to the contrary not withstanding, Labour intellectuals have had a competing, cross-cutting normative commitment—to securing "top people," professionals for securing the common good in the socialist state.

This is intellectual Labour's aristocratic legacy, transmitted through a culture, dominated and unified in its thinking by the elite English educational institutions created by the great Victorian gentlemen educators. The great insight or perhaps prescience of the Victorian academicians was to perceive that much power in the state was shifting from the legislature, where gentlemanly control was on the decline, to the bureaucracy. And their genius lay then in proceeding, not to stem the tide of the lower orders—whether working man or businessman—into the bureaucracy, for the lower orders had not yet approached the gates of the bureaucracy, but to block the access of the Philistines to the Civil Service before the Philistines took notice. In short, through the educational system, they institutionalized gentlemanly rule in the bureaucracy by making a certain kind of education a sine qua non of entrance to the profession and by offering a kind of education that inculcated in all who passed through the system a set of values that perpetuated or further institutionalized the career track of the professional amateur from Oxbridge to Whitehall. Thus when an effective social democratic party did emerge in modern England, the party did not challenge gentlemanly entitlement to bureaucratic power and authority because a substantial portion of its leadership, that is, intellectual Labour,

felt entirely comfortable with the situation, and indeed viewed this state of affairs as entirely necessary.

NOTES

1. The Civil servants under consideration in this essay are those individuals who in the words of H. E. Dale "are in a position to exercise a real and direct influence upon government policy." These are the people the 1853 Organisation Report referred to as "intellectual" rather than "mechanical" labor or "superior situations," later in 1890 dubbed the First Division, and by the early decades of the twentieth century the administrative class, that is, those grades including and above what was called assistant principal until 1970, now called administrative trainee.

2. For an excellent account of J. S. Mill's influence on C. S. Trevelyan, see Ryan, 1972.

3. The groupings were as follows: 1948-50, 1951-55, 1956-60, 1961-65, and 1966-67 (Fulton, Vol. 3, pt. 1: 61).

4. Between 1948 and 1956 the proportion was 58%; 1957-63, 57%; 1964-65, 53% and 1966-67, 60% (Fulton, Vol. 3, pt. 1: 407).

5. According to Lord Crowther-Hunt and Peter Kellner, Davies had been the chief psychologist in the war office directorate for personnel selection at the time the war office pioneered the selection techniques that the Civil Service came to adopt (Crowther-Hunt and Kellner, 1980: 118).

6. For instance, the figures on appointees with lower seconds are as follows: 1971, males, 16.9% and females 16.3%; 1972, 14.3% and 18.4%; 1973, 17.8% and 21.6%; 1974 14.9% and 22.9%; and 1975, 8.2% and 9.5%.

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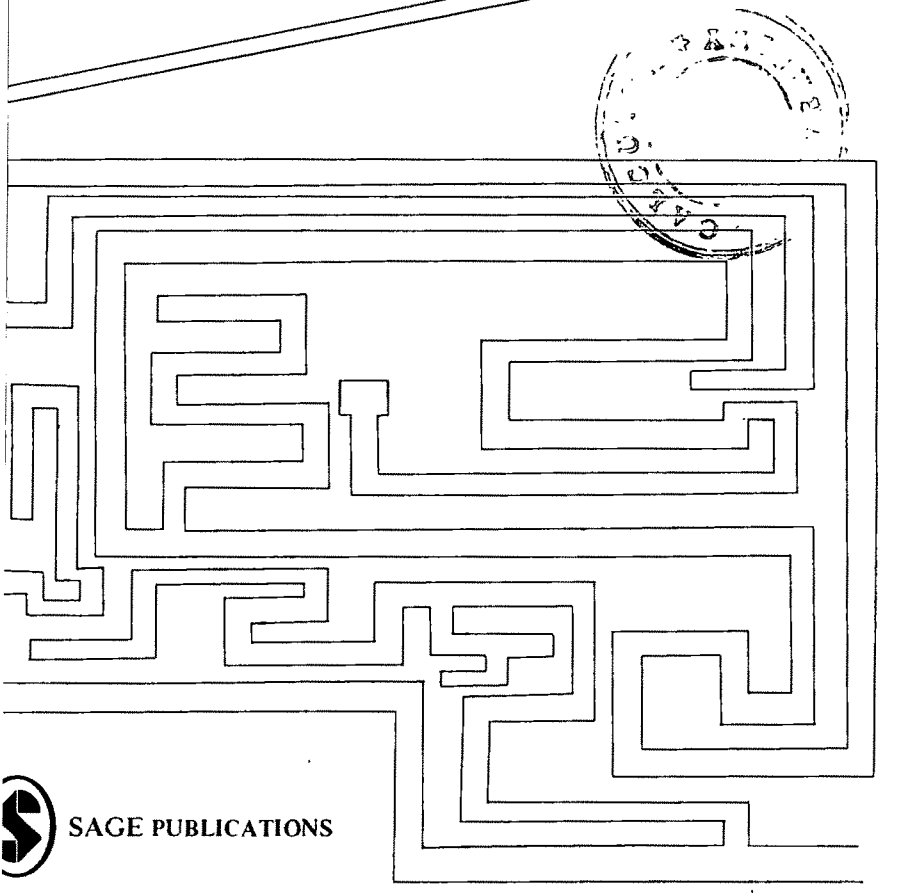
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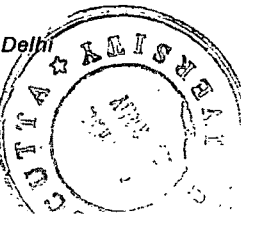
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Current concern with founding the legitimacy of the administrative enterprise in a revitalized idea of the public interest leads us to a consideration of the meaning of citizenship in contemporary society. Our constitution, given its liberalist legacy, provides an inadequate appreciation of the collective grounding of society and leaves us bereft of a basis for full citizenship. This article compares classical formulations of citizenship to liberalist ideas and suggests possible directions for exploring alternative conceptions of society that offer a richer possibility for citizenship and overcome the deficiencies of liberalism.

ADMINISTRATORS AND CITIZENSHIP
The Liberalist Legacy of the Constitution

CYNTHIA J. McSWAIN
University of Southern California
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The need to revitalize a concept of citizenship in order to improve our common governance has become a visibly important topic of discussion recently among public administration practitioners and academics. The article by Frederickson (1982), "The Recovery of Civism in Public Administration," which appeared in *Public Administration Review,* is testimony to a new concern with the relationship between citizenship and administration. The National Conference on Citizenship and Public Service sponsored by the Kettering Foundation and held immediately prior to the national ASPA conference in New York in 1983 provides further evidence in the list of papers presented that discourse about citizenship is widespread and diverse.

It is likely that this interest has been prompted, as Frederickson claims, by a failing confidence in government's ability to work with and resolve societal problems, which are becoming increasingly complex and difficult. This loss of confidence is a challenge to the

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very purpose of contemporary government and hence to public administration as a discipline. As public faith has declined, so has the meaning of public service and public service careers. One would hope that a movement toward a renewed appreciation of citizenship might serve two related functions. First, concomitant with the notion of a positive citizenship role goes the belief in the value and honor of the public servant role, centered in a sense of fulfilling one's duty as a citizen. Thus enriched awareness of citizenship will provide a centrum for public service. Second, citizenship is essential to the construction of a vision of the public interest, the public trust. If indeed administrators are charged with articulating, refining, protecting, and implementing the public interest, then the legitimacy of the administrative enterprise requires a sound foundation for this interest. Citizenship implies that such a basis exists. It suggests an affiliation and a commitment to something greater than oneself.

Our society is currently at a critical juncture. Old definitions and connections seem inadequate as the technological fruits of our cleverness challenge once sacred images and constructs of our social order. As we search for new visions of ourselves, our leaders, our language, and our form of governing, a reconsideration of the meaning of citizenship becomes crucial. Defining the parameters of citizenship establishes the foundation upon which the larger social edifice is built.

It would seem then that the thrust to invigorate citizenship is well placed. The problem lies in whether or not we can effect this process within our liberal constitutional heritage and framework. Certainly the idea of citizenship permeated the work of early public administration advocates. It was the unifying theme of the field so evident in the writings of Leonard White, Pendleton Herring, Emmette Redford, Fredrick Mosher, Roscoe Martin, Wallace Sayre, Paul Appleby, and others. It was the traditional focus of governance and the rationale for administrative choice. However, the identification of citizenship as a vital point of reference has been overshadowed in contemporary administrative theory and practice by a rational, instrumental, professional competence model of public action, the credit for which is frequently given to Herbert Simon (1976) as the prototypical exponent of such ideas. Administrators in this context are seen as rational calculators who make neutral choices dependent upon and constrained by logic and data. Citizenship is primarily procedural in nature defined by positive legal rights, such as the right

to vote. Any attempt to rejoin a richer conception of citizenship with public administration must necessarily reflect upon the earlier dissolution of that union. Why did the idea of citizenship fade as a motivating and enabling force? Why is it apparently so difficult for us now to give it new life and meaning?

When we attempt to discover a basis for citizenship, inevitably we are considering the liberal constitutional tradition upon which our social/political order is based. The word "liberal" has a confused definitional history. A wide variety of theoretical positions have been subsumed under this rubric. There are to be two primary branches of liberalist thought, dating generally to the seventeenth century and the beginning of the Enlightenment: the English liberal tradition, emphasizing individualism and the preeminence of Reason and epitomized by the work of Hobbes and Locke; the Continental liberal tradition, emphasizing a Romantic communitarianism, and captured best in the work of Rousseau. It is the English liberal tradition that had the greater impact upon the formation of our Constitution, although the communitarian influence is evident in some of the writings of the Antifederalists.

It is my contention that given our liberalist heritage, we do not now have and in fact never have had a truly adequate grounding for citizenship and public service and for the articulation of a workable idea of the public interest. Further attempts to transform or regenerate these ideas will continue to founder until we examine more closely the intellectual tradition that shaped our constitution and hence our understanding of the role of government and administration.[1] It is the constitutional legacy of liberalism that stands in the way of a vital, empowering relationship between citizenship and public administration.

CLASSICAL ORIGINS OF CITIZENSHIP

Before we examine the manner in which our liberalist constitutional tradition fails us in the development of an adequate idea of citizenship, it is helpful to explore the origins of the idea of citizenship in classical political theory. In the words of Plato, Aristotle, and Pericles we find its genesis.[2] The classical understanding of citizenship is radically different from that engendered by liberal theorists

and affords us an interesting perspective on our contemporary limited concept of it.

The fifth century B.C. Greek concept of citizenship was intimately connected to the context of the city-state or "polis." The polis was the source of meaning and value in the life of its citizens. It was small scale, immediate, and homogenous, and functioned in principle as a direct democracy. In Athens, the Constitution of Cleisthenes adopted in 507 B.C. established the institutions of political business and created a series of administrative bodies based upon full participation of citizens and a selection for leadership positions by lot. All citizens belonged to a central Assembly that met periodically to reflect the embodied will of the people. Although the function of this collective assembly in terms of policy enactment was small, its symbolic significance was great. The actual administration of the polis was designated to a variety of decision-making bodies constituted of citizens serving in short-term capacities in particular functional roles. Selection for these positions was by lot, thereby ensuring a random cross-section of citizen representation, and reelection was, for the most part, prohibited, forcing a fairly rapid turnover and a wide distribution of the responsibilities. The primary administrative bodies were the Council of Five Hundred, which served as a steering committee for the larger Assembly and the court system. Council members were chosen by lot, and, although a member for an entire year, one was involved in Council administration for only one tenth of a year, on a rotating basis. The court system was quite unusual by our contemporary standards, having more extensive powers than have been traditional in our judiciary but approximating the enlarged review responsibility that is becoming characteristic of our system. Athenian courts had large, elected juries. A panel of 6,000 jurors was elected by local districts each year and then jurors were dispersed to specific courts and cases by lot. Courts often reviewed the actions and policies of administrators and served as an elaboration and implementation of the will of the larger citizenry. This form of open, direct government by citizens in varying and changing functional positions was the hallmark of the classical Greek constitution.

The working of the polis depended upon a particular appreciation of citizenship; indeed, the very life of Athens in the fifth century was inextricably interwoven with and derived from a strong sensibility of citizenship. Pericles emphasized this in his striking comment that

citizenship is the individual's highest glory. It is true that the appellation of citizen was restrictively bestowed. Citizens were equal but certainly not all individuals were equally able to become citizens. Athenian women, all foreigners, and the large number of slaves were prohibited from becoming citizens. The issue here is not, however, the designation of citizens but the *definition* of citizenship.

The polis represented not only a form of government and a political/social organizing frame but a holding of human life in common, an organic whole. It was the embodiment of virtue and the Good Life. Beyond the community and honor of civic life was primitive subhuman isolation. Only in the life of the polis might human dignity, virtue, and knowledge emerge and flower and might an individual come to complete development. The association of the polis *was* the "telos" of individual existence; hence participation in it was involvement in the common human project. The polis was the source of meaning and value, and its ultimate reality was a mystical interconnectedness of all human pursuits—a truly ineffable holism manifest in the interactions of life in the polis. Certainly diversity existed, but from whatever perspective and level, involvement by the individual in the enterprise of civic life was the highest value. All else, including private concerns such as family and leisure, were to be enjoyed as they existed in their place in the activity of the polis. Citizenship was the enabler of participation, that supreme right to engage oneself in the evolution of human virtue. As Sheldon Wolin (1960: 58) has written, "Citizenship connoted the right of an individual to live in the only form of association that allowed him to develop his capacities to the fullest."

Such a notion of citizenship required an acknowledgment of connection to others and to a common project. It also assumed that although individuals might perceive and feel personal interests, their true interest could only be revealed and fulfilled through participating in the deliberations of the encompassing whole. Consequently, administration devolved upon shifting cadres of citizens whose expertise and qualifications were their common alliance in the civic life. Aristotle gave us our most familiar definition of citizenship, and it was participation that formed its core. "The citizen in this strict sense is best defined by the one criterion, 'a man who shares in the administration of justice and in the holding of office'" (Barker, 1977: 93). From this vantage the relationship between citizenship and administration was clear. They were one and the same. The qualifica-

tion for administration was citizenship, and the definition of citizenship was involvement in administration.

Plato provided us with a somewhat different defining characteristic of citizenship. Although his understanding of the transcendent virtue of the common life was more subtle and less definable than was Aristotle's, his vision of leadership and administration in the polis was less fluid and all-encompassing (Cornford, 1945). For Plato it was not desirable for each citizen to participate equally in the administration of the polis, but rather for each to share in the benefits. Those who ruled and administered the polis were those who possessed a superior knowledge of a transcendent truth. Because the truth applied equally to superior and subject, there would be no disparity in the final articulation of a true interest. This was the initial joining of political power and authority to knowledge in Western political life. It did not minimize the equal rights of all citizens to participate in societal goods and benefits but did limit access to decision making. The Platonic formulation evokes the image of the administrator as a "supercitizen" who possesses a superior knowledge of the truth and hence greater social/political power to enact it.

The crucial element for understanding citizenship in the classical original formulation is the extent to which it derives from a *social* rather than an individual identification of the good life. Separate, personal interest was only fulfilled through connectedness with others in ongoing association. Private interest was false interest. Questions of power and authority were ultimately reducible to participation in a common project, whether the participation reflected the Aristotelian idea of dynamic exchange among all citizens vested with authority simply by dint of their status as citizens or the Platonic ideal of citizens sharing in the life and benefits but not the decision-making authority. The administrator vivified the public interest through his citizenship status. Citizenship was engagement in a societal enterprise. The state and those who administered it were extensions and manifestations of this enterprise.

LIBERALISM AND THE REDEFINITION OF CITIZENSHIP

The English liberalist tradition, inherited in our constitutional arrangements, defines the role of the state and its relationship to

citizenship in a manner that is fundamentally different from the classical formulations. At the time of its initial flowering in the seventeenth-century European Enlightenment, liberalism marked a radical, brilliant transformation of consciousness and a liberation that afforded the individual a new and strengthened place in the social/political order. Despite the diversity of its presentations, liberalist thought in general, with its singular emphasis on freedom and rational capability, indeed did free the individual spirit from what had become the deadening sacral collectivism of the Middle Ages by espousing the unique equality of each individual and the potential for perfectability through free exercise of rational faculties. In all of its myriad manifestations, liberalism consistently maintained a belief in what William Galston (1982: 626) calls "rationalist humanism," the belief in the free, rational individual as the generator of social and political creations. This central tenet of liberalism is evident in our Constitution. The English liberalist tradition provided the philosophical underpinnings for the Federalist position, which of course ultimately triumphed over the Antifederalists in influencing the formal constitutional apparatus of our government. Historically this tradition has provided a flexible, resilient foundation; however, the liberalist tradition also has generated its own distinctive pathologies, and once liberating ideals now constrain our ability to articulate a vision of citizenship and its meaning in contemporary government and administrative practice.

A major divergence of liberalist theory from classical theory is in the liberalist attachment to individual freedom as a preeminent value. The heart of the liberal position is that each individual is free to identify and pursue his or her own destiny in a pattern of freely configured and rationally determined choices. As a corollary, each individual is seen to have a separate set of capacities that impinge upon the determination of choice and hence action. What is evoked in this is a radical individualism. Human beings are seen as ontologically separate from one another. Their freedom of self-determination derives from the fundamental separateness of their identities. The liberal social order is a collection of individuals who are essentially unknowable to one another except as they act upon each other in exercising their free will to find satisfactions. Hobbes describes the social order and its constituent parts as physical bodies in motion, driven by their separate appetites and aversions. Locke addresses this atomistic individualism even more dramatically by

challenging the certainty of a single person's ability to know another's being: "No particular man can know the existence of any other being, but only when, by actual operating upon him, it makes itself perceived by him." Given this ultimately mysterious nature of the other, the sanctity of the individual as a discrete social unit is ensured and freedom becomes a requisite guarantee to avert oppression. The paramount question for the liberal thinker, and the central problem of liberal governments, is how to resign this preeminent valuation of individual freedom with the unavoidable necessity for authority in a social order.

What stands out in the liberalist emphasis on freedom and individualism is the loss of collective knowledge of the good or the Good Life. Liberalism resolves itself into a kind of moral atomism, where the best knowledge of another involves a sympathetic turn of mind and where the closest understanding of common purpose is, as Adam Smith wrote, a "concord," not a union, and "this is all that is wanted or required" (Wolin, 1960: 350). Such a viewpoint is evident in J. S. Mill's distinction between self-regarding and other-regarding acts. Self-regarding acts only have meaning if, as David Sidorsky (1970: 11) indicates, there is "a conception of society as a set of atomic individuals not related to any particular moral fabric."

In resolving the issue of social authority in favor of moral individualism and freedom, liberal philosophers clearly have undermined the classical, traditional foundation of the political as vehicle for the realization of virtue in a communal sense. The Good Life now is defined by each for himself and himself alone; the individual is the authorizing agent. Indeed, the very possibility of society as an organic phenomenon existing at a supra-individual level is called into question. Bentham epitomizes this skepticism: "The community is a fictitious *body,* composed of the individual persons who are considered as constituting as it were its *members."* With the demise of a holistic, organic order of which all are a part, the basis for political authority is left to rest on insecure foundations. Liberalism argues that the appropriate initiation and perpetuation of political authority must occur within the domain of individual interest. Interest becomes the rationale for the creation of the loose association that replaces the traditional vision of society, and thus it is the focus of authoritative action within it. It is self-interest that drives the individual to form together with others into a voluntary association, the basic guarantee of which is that the pursuit of private interest will remain unfettered

so long as it does not impinge upon the free realization of another's interest. Political authority is properly invoked only to mediate the competition of individual interests. The purpose of the social contract and the state is to protect the individual freedom of each party to the contract such that he or she may define personally the nature of the good and pursue it.

What basis does the liberal state give us then for citizenship? Certainly it is a quite different one from that articulated by Aristotle and his contemporaries. The polis was a body, of which citizens were the organs living in an interconnectedness that had as its inevitable telos the achievement of common purpose, full development, and virtue. Political process was the working out of these connections and interactions such that truth and knowledge might be revealed to further the project of living well together. Without the context of the polis, no individual could hope to find or achieve goodness. Participation in the polis was the highest order of human existence, for it alone reflected meaning and virtue in life. When collective authority conflicted with individual sensibility, it was more critical to preserve the exercise of authority, because it was seen as the manifestation of collective will. Collective authority, although occasionally in error, was the only forum in which truth ultimately might be revealed. The judgment and subsequent choice of suicide by Socrates is perhaps our clearest historical example of the importance of the collective to the Greek concept of individuality.

In contrast, the liberal state is constructed as an act of conscious rational *choice* by individuals drawn together in a perception of mutual interest and need rather than by an organic a priori connection. Advocates of liberalism emphasize the catholicity of their vision. There is no claim to an overriding definition of good for all. The primary justification for the liberal state is protection of the individual's right to pursue his or her own interest, to articulate and seek a personal vision of the good. The role of the state is that of neutral mediator of competing interests and rights and that of guarantor of these same rights. There is no aim at which the liberal state directs the development of its citizens—it does not embody the claim to definition of value. One, it not the primary, strength of liberalism has been this moral neutrality of the state, where each citizen is freed to be a separate moral agent. Citizenship becomes a responsibility to honor the contractual nature of relationship to the other and to the state by using one's rational capabilities to define and

pursue a private interest. Citizenship is a personal matter of acting well and forcefully in the service of self-interest, not of participating in the evolution of a common good.

THE LIBERALIST LEGACY TO AMERICAN PUBLIC ADMINISTRATION

The American Constitution is a document that evolved from this Liberal tradition. Its framers were profoundly influenced by the liberalism of Englishmen like John Locke. Their primary concern was with individual rights and protection from oppression. Reasonably enough, given their recent experience with England, the constitutional fathers emphasized the freedom of thought and opportunity deeply embedded in liberalism—the idea that only an individual can properly understand his or her own interest and act upon it. Coupled with this reverence for individual freedom was the persistent belief in human rationality. The American Constitution is itself testimony to a hope and faith in the human ability literally to create a perfect state through an act of will, an exercise of reasoned judgment. As Walter Volkomer (1969: 11) writes, "American liberalism has seen man as a free agent possessing the intellectual ability to shape and control his life on earth."

The perfect state that reason created was one constrained on all sides by the dictates of freedom. American constitutionalism was characterized by the typical liberal distrust of strong government. Jefferson wrote to Madison in 1787, "I own I am not a friend of very energetic government," indicating his desire for a restricted sphere of governmental action (Volkomer, 1969: 69). The primary debate surrounding the writing and passage of the Constitution, between the Federalists and the Antifederalists, centered on the issue of the strength and scope of authority of the central government with neither position advocating broad-based governmental powers. In the end, the Constitution established a governmental system identifiable primarily by its level of caution and restraint—by its checks and balances. Government was divided into three coequal sections with overlapping checks, and a Bill of Rights was appended delineating specific rights of individuals, forever protected from governmental encroachment. The emphasis was on the protective functions of

government and its role as the guarantor of freedom—the neutral adjunct of individual interest.

The framers of the Constitution were not immediately concerned about the implications of radical individualism and its potential threat to social cohesion. The United States was small, homogenous, and agrarian in the late eighteenth and early nineteenth centuries. There was a strong communitarian ethos and Romantic spirit that Wills (1978) does an excellent job of explicating, particularly in his discussion of its effect on Jeffersonian thought. The country was highly decentralized into cohesive communities and access to governmental function was immediate and direct. A theme of what David Marion (1983) calls "public spiritedness" characterized the preconstitutional period. This reality had its philosophical origins in the Antifederalist commitment to a public interest emerging and directing government through small localized, populist sovereignty (Boyd, 1979).

Much has changed in the environment and circumstances of our constitutional regime since its establishment. The breadth and complexity of issues and governmental structure is far greater than the constitutional framers might have envisioned. Although the Antifederalist sentiment provided a strong countertradition congruent with the conditions of the time in the early years of the Constitution's enactment (Boyd, 1979), today the triumph of the Federalist liberal tradition has generated problematic consequences. In large measure, liberalism's legacy to us is a loss of a sense of community, with concomitant atomism and alienation. We have become bereft of a meaningful concept of citizenship. The citizen role retains primarily procedural significance. In our liberation and glorification of the individual, we have sacrificed our sense of the human connectedness that is the essential matter of society. Our awareness of the organic web of social relationship that so distinguished the classical Greek creation of citizenship has been diminished by our persistent devotion to individualism. Through the protection of our specific interests, we have eroded the basis for a collective, common, societal interest.

The implications of this for public administration are particularly problematic. A peculiar double bind surrounds the practice of government. Interest-based government tends, as David Truman described so well, to "sublimate" the political and push it into the administrative arena, so that we expect policy finally to be made

there. Hence administrators are charged with the public trust, with refining and implementing the public interest in a society whose dominant tradition disavows the existence of such a transcendent interest. They are citizens, of course, as well as civil servants and as such are acting in an ambiguous role. From the point of view of our liberalist Constitution, administrators are to uphold the interest of the majority, which is reconstituted frequently in a state of pluralist fluidity. Personal interest must be disregarded; in fact the state must carefully watch for the bias of the civil servant's personal viewpoint (Rohr, 1983). Thus administrators perversely must cease to be full citizens, even in the limited liberal conception of the term, and become neutral appendages of the shifting alliance of aggregated private interests. The image of the administrator as a super-citizen, held so dearly by early PA theorists, fails under the burden of a radically reduced basis for a public interest and a minimized definition of citizenship itself.

This super-citizen model is replaced by the neutral competence model of administrative behavior. This model is congruent with the neutral orientation of the state. It is not difficult to see why the politics-administration dichotomy has been a source of major and abiding controversy within the field of public administration. The belief that administrators should be wholly neutral implementors of policy decided upon in the value-laden political arena is one that has little currency in contemporary administrative life. It is undeniably a difficult tenet to sustain in practice. Nonetheless, from the constitutional point of view, based as it is on liberalist assumptions, there is no way to acknowledge conceptually the interconnectedness of policymaking and administration. There are those who would argue that politics and administration are inevitably interwoven and *should not* be regarded as separated. The only theoretical basis, given liberal constitutional assumptions, from which to argue this position is that administrators serve the public interest best by vigorously pursuing their own private interests. Few are willing to acknowledge such a position even in theory and certainly not in practice. We have only to observe the stringent controls on conflict of interest and political participation that surround public sector employees.

In sum, the dilemma of public administration under our Constitution is establishing the legitimacy of the administrative role. This concern is tied to our confusions about the meaning of citizenship. We are uncertain about the interplay of the two roles, the locus and

lefensibility of the public interest, and indeed about the proper phere of governmental action overall.

DIRECTIONS FOR DEVELOPMENT

If we are to understand better the meaning of citizenship and how t bears on the role of administrators, we must confront the :onsequences of liberalism's diminishment of the ontological pri-nacy of a social reality. We need to vitalize our vision of the public. The issues that challenge us as a society today are too complex and lemanding and demonstrate quite clearly the inadequacies of iberalism's radical individualism and dependence upon individual ights as a reference point for administrative and policy processes. We have repeatedly discovered the futility of deciding questions of ıbortion, eugenics, nuclear power, environmental protection, ex-reme life-support measures, and numerous other issues, on the basis)f whose rights are affected and whose interests served. We also need ı symbolic rallying point for our choices domestically and internation-ılly as technology and information increasingly create an interdepen-lent world society. We must revitalize some sensibility of our :ommon weal and purpose so that citizenship can have a rich and ital meaning that enlightens the administrative arena.

There seem to be two avenues of approach for such revitalization. The first is to reexamine closely the state of contemporary liberalism. This is the position taken by William Galston (1982). Galston argues hat the defenders of liberalism, by adhering to the principle of state ıeutrality and the absence of a vision of the Good Life, undercut the eal strength and validity of their own case. He makes the point that ıo social/political order can truly sustain the stance of value ıeutrality that liberalism is purported to represent. There is no cause, ıowever, for abandoning liberal ideals as a result, but rather a notivation for exploring what substantive justification exists for the iberal state within the limits of liberal theory. Galston's conclusion is hat liberalism does indeed contain a distinct vision of the good that ustifies its validity as a foundation for our constitutional regime. I ıuote from Galston (1982: 627) at length to show the force of his liscussion.

> For liberal societies rest, as well on the belief that the development of individual capacities is an important element of the good and that

> liberal societies are, on balance, most conducive to individual development. Liberal societies believe that individuals are, at least in part, responsible for the use they make of opportunities for development and that individuals are entitled to make claims on resources based on what they have achieved. Liberal societies claim to be more just than those societies that deny the moral force of claims based upon achievement, as well as those societies that ignore claims based on need. And finally, liberal societies contend that their organization reflects, as none other can, two fundamental truths of the human condition: the diversity of human types and the inherent incapacity of the public sphere to encompass more than a portion of human activity or to fulfill more than a part of human aspiration. . . . Liberalism contains *within itself* the resources it needs to declare and to defend a conception of the good life that is in no way truncated or contemptible.

Although Galston is making a more comprehensive and direct assessment of the potential of liberalism than is Frederickson, the conclusions Frederickson draws seem compatible with Galston's argument. Frederickson wishes to reassert a sense of community that will support the civism he sees as critical, and he appears to feel that the elements are all present with which to do this. In other words the liberal tradition does contain the necessary basis and resources to engage such a community. If this point of view is accurate, then our task is to reexamine the current state of our constitutional inheritance and be honest in our revision of some of it. On the basis of this we may be able to establish the liberal vision in a more conscious way and encourage the kind of community-based civism that Frederickson desires. An exploration of the often overlooked Antifederalist countertradition (some would say cotradition) may prove rewarding in this effort.

The implications of this line of research are provocative and important. Scholars who take this point of view face a challenge in overcoming our deep-seated commitment to individualism and in offering us insight into alternative perspectives. In the end Frederickson comes out in favor of what seems to be essentially a heightened degree of citizen participation in a decentralized structure. I find nothing to disagree with in this line of argument, but find it an insufficient basis for a truly rich concept of citizenship. There is still no ontological grounding in it for community and society.

The second avenue for development seems to be to take the critics of liberalism seriously—and these critics are legion and widely varied in orientation—when they assert that liberalism is bankrupt. This

approach leads us to the problem of what is to follow as liberalism's successor. If we are to approach this question then we must first begin to explore responses to the concern of our interconnectedness. The primary areas of critique of liberalism have assumed quite different ontological stances, exploring bases for a transformed appreciation of the social fabric of existence. The recent critique of the enlightenment movement and the growing interest in action theory and critical theory are indicative of this effort. These theoretical positions, for all their internal heterodoxy, are invested in exploring categories or structures of consciousness that are common to all individuals and provide the linkages that found community.

Such theoretical explorations are the bases upon which alternative constitutional arrangements are focused. We are developing collectively as a society and are realizing the need to reassert some communal basis for our identity and our action. Although it is useful to look at classical delineations of citizenship, they are certainly inappropriate to our contemporary condition. Our society has become too large, too complex, and too sophisticated to recapture the ethos of the polis. A search for citizenship that ignores its roots is fruitless, but this should not be seen as a romantic polemic for a return to small, direct democracies. We need to join the learnings of the classicists and of the liberals in a new synthesis that protects our individuality while acknowledging our interconnectedness.

The models for such a vision are tentatively emerging from different loci. Ironically one of the richest models may be that of advanced theoretical physics, which has long served as the emulative model for social scientists. Physics, which provided us with the rationale for a distinct atomization of the social universe, now suggests the contrary—a unified theory of a universe in constant fluidity and development, constructed of basic units of energy common to all phenomena, basic forces of the universe. The implications of current research in theoretical, cosmological physics are only beginning to be appreciated. The same is true for the work of Lyall Watson and Rupert Sheldrake in the biological sciences. Both are engaged in research that suggests common biological connections that tie life forms together. Sheldrake, in his book *A New Science of Life,* postulates a theory of "formative causation" that hypothesizes the existence of "morphogenetic fields" connecting similar physical systems and shaping patterns of growth and development apart from so-called objective laws of natural science. This revolutionary theory implies a force that connects similar life forms across temporal and

spatial boundaries and dismantles our accepted theories of causality. For instance, according to Sheldrake (1981: 56), "If a number of rats learn to carry out a task that rats have never done before, then other rats everywhere else in the world should be able to learn the same task more easily, even in the absence of any physical connection or communication."

Watson (1979), in his book *Lifetide,* presents and documents hundreds of examples of connections among living forms that dicate change and development in ways unexplained by causal, linear, positivist science. He postulates the existence of a biological grounding for the unconscious. "I believe there may be an almost basic cosmic rhythm, which probably underlies all coincidence, chance, seriality, and synchronicity. I believe we will eventually succeed in laying this ghost in our machine and give it all the physical properties and parameters necessary for its establishment as a recognized force of nature" (frontispiece).

In the social sciences, the work of Carl Jung and other analytical psychologists offers an alternative ontological position that is sympathetic to and congruent with the physical science theories proposed by modern physicists, particularly Sheldrake and Watson. Analytical psychology suggests the idea of an encompassing, collective unconscious that is an archetypal repository of all human experience and is the actual center, albeit unconscious, of the human personality. From this framework individual persons are seen as a priori "social" in nature. Society and collectivity precedes the individual. Persons are born into relationships with others consciously through the web of their unconscious and its collective archetypal structure. Aspects of our conscious life such as social orders, organizational forms, and governmental structures are analogic representatives of larger unconscious archetypes (Progoff, 1973). Through the unconscious we are all interconnected, and change and development, as well as repression and blockage, affect the universal human project. This project can only be advanced, however, through individual choice and action. The nature of the collective unconscious is such that it can only be revealed or moved into consciousness through individuals. The core of human meaning is the mediating of the unconscious into the conscious. This is necessarily a dialectical process that demands a collective and an individual opposition. The implications of this psychological stance are very important for social analysis.

These directions in thought and research offer us challenging possibilities for furthering our discourse about our social nature, our

interdependencies, and our community. This discourse, in turn, is requisite for a true transformation of the concept of citizenship and a full understanding of the legitimacy of the administrative enterprise. Our constitutional heritage has brought us much liberation, but the virtues of liberalism have become its limitations and must be more thoroughly assessed in light of contemporary difficulties. It is when we have realized that we live in a social web that we will be able to reaffirm a new source of community; one that will give us the ability to see citizenship in a positive, enabling light and will also illuminate our collective public choices and the appropriate roles of the administrators who act in our stead.

NOTES

1. Garry Wills discusses the foundations of American thought in his books: *Inventing America* (1978) and Explaining America (1981). Although I disagree with some of his conclusions, he is very sensitive to the diversity of influences and makes an excellent case for the primary impact of the communitarian Scottish moralists, particularly on the thought of Jefferson.

2. Gawthrop (1983) suggests that citizenship, as we currently define it, "is a derivative of the emergence of the notion-state which, in turn, was a direct outgrowth of the medieval period." I agree in part, but it is in the Classical formulations of citizenship that I believe we find defining characteristics, the absence of which cripple our contemporary understanding.

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Managerialism is one of the main philosophical issues of our times. Its orthodox values trivialize the human essence, diminish human dignity, and widen the gap between a privileged class of managers and the rest of the people. This orthodoxy must be revolutionized before a homegrown form of American totalitarianism emerges. This article presents a critique of the orthodox values, suggests a vision of four ways a revolution in values could proceed, and addresses specifically how schools of administration and professional associations might provide forums for moral discourse, which is a necessary preliminary to revolution.

ORGANIZATIONAL REVOLUTION An End to Managerial Orthodoxy

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Alasdair MacIntyre (1981) concluded his book *After Virtue* with three admonitions: Do not bother defending the walls of the city against an invasion by the barbarians, they are managing us already; do not bother "waiting for Godot" to deliver us from this predicament; and hope for a secular St. Benedict to establish enclaves of noetic reason during this managerial dark age.

In the spirit of MacIntyre's last point, the purpose of this article is to propose philosophical forums for moral discourse in professional management associations and in schools of business and public administration. This proposal is made because the values of managerialism are subversive to the human spirit, and because we in the field of administration must be the agents of our own deliverance from them.

AUTHOR'S NOTE: *The title of this article blatantly borrows from the title used by Frederick Thayer for his book* An End to Competition and Hierarchy. *My thanks to him for being good-natured about it.*

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The results of such a philosophical undertaking could be revolutionary. Therefore, the target of this revolution must be clear. Neither managers nor management should be rejected. The former have done socially necessary tasks from the earliest recorded times; the latter, as an abstract body of concepts, provided the substance for research and teaching. We should however repudiate the orthodoxy of managerialism because it is a value system that encourages the treatment of humans in ways that deprive them of their humanness for the following reasons.

- The orthodoxy of managerialism supports the invidious influence of the most vulnerable people such as subordinate employees and students.
- It justifies manipulative intrusions by the powerful in places where they have no moral right to be such as in the individual's psyche and in the cultural archetypes of social systems.
- It has four violent social contradictions that cannot be resolved because managerialism is a self-serving ideology for a privileged few.

The first contradiction is the exacerbation of a *subculture of poverty,* which in various and often disguised forms, has created a large underclass of citizens in most capitalistic and socialistic market-centered nations. The curious feature of this underclass is that not only the unemployed or poor belong to it. It is composed of all those people who are either morally or materially removed from the prescribed behaviors and values of market-driven societies.

The second contradiction is the *widening gap between classes.* Of the middle class in this country, 11% has disappeared, with 8% slipping into the lower class economically and three % rising into the upper class. Nationally, 55% of Americans were considered middle class in 1970. Now the figure stands at 44%. In a nation of 230 million people, 101 million are in what might be considered the financial mainstream. Behind these income statistics lies the issue of a potentially widening and hardening of value differences between what the minority technical and managerial elite seeks in its own behalf and what the majority defines as its interests.

The third contradiction is *cultural boredom* wherein people are encouraged to pursue debasing titillations supplied by organizations for economic reasons, and to divert people's attention from social injustices and the leadership inadequacies discussed later in this article in connection with the film "Network." But for now an

example of how cultural boredom reveals itself in art is shown in Table 1.

The fourth contradiction is *intellectual dishonesty* whereby individuals with public visibility in management teach, research, write, and speak in behalf of systemically corrupt beliefs, which brings up the subject of the orthodoxy itself.

THE ORTHODOX BELIEF SYSTEM

The orthodoxy of managerialism has two components. The first is a point of view about the nature of the human essence, the second is a set of doctrines legitimizing managerial authority to rule organizations.

ORTHODOXY AND ESSENCE

The essence of anything is composed of form and substance. Substance is the ineffable quality that makes a thing what it is: the qualities of dogness or fireplugness. Forms are external attributes that allow us to make distinctions between different kinds of dogs and different kinds of fireplugs.

The emphasis in our language placed upon form and substance in the definition of essence has changed profoundly since the time of John Locke. Before him the word was defined as a substantial state; after him it was defined in attributional terms. At present not much thought is given to the ineffable nature of things, instead concern is with what can be touched, seen, and measured.

A recent catalog for household goods tells the customer to "savor the essence of elegance." According to the catalog the essence of elegance is savored by buying certain types of sofas, chairs, tables, love seats, and the like. Now although these objects may represent *one* elegant form, they do not constitute the universal substance of elegance. Furniture doth not elegance make.

What has this to do with managerial orthodoxy? Simply this. Management, with the help of positivistic behavioral sciences, has always been concerned with controllable human attributes such as the passions, the interests, and the behaviors of people; it has been much less interested in the substantial qualities of humanness. The

TABLE 1
The Consequences of Cultural Boredom as Reflected in Art[a]

1	(b)	2
Sensate Art[c]	⟶	Late Sensate Art[c]
Worldly		Underworldly
Naturalistic		Protest
Realistic		Revolt
Visual		Overripe
Illusionistic		Extreme
Everyday		Sensation seeking
Amusing		Titillating
Interesting		Depraved
Erotic		Faddish
Satirical		Violently novel
Novel		Exhibitionist
Eclectic		Debased
Synastic		Vulgar
Fashionable		Debunking
Superb technique		Nihilistic
Impressionistic		Pornographic
Materialistic		Sarcastic
Commercial		Sadistic
Professional		

a. Adapted from P. Sorokin (1962) **Social and Cultural Dynamics**, Vol. 1. New York: Bedminister Press. Sorokin characterizes the art in Column 2 as evidence of the decline of a sensate culture.
b. For example compare 1950s television show "Leave it to Beaver" with the latest rage of videos on MTV. Virtually every adjective in Column 2 describes MTV productions. The trend line demonstrates the direction of popular art.
c. Because organizations mirror culture as art mirrors life, ther organizational promotion and appeals are made increasingly more in terms of Column 2 than Column 1. But the situation is mixed, and to be entirely fair, although MTV is a bizarre extreme toward Column 2, Chanel's advertisements are classy examples of Column 1.

reason for this is, as Barnard (1938) pointed out, behaviors can be managed but humanness cannot.

This concern with the external forms of behavior has given rise to two principal themes in the orthodoxy of managerialism.

People Are Essentially Defective

Human defects are usually the result of flawed passions in the form of lusts. In this regard, the Scottish moral philosophers left a legacy beyond estimation. They believed that if allowed free reign, the passions will naturally balance one another resulting in the increase of general social welfare. According to Hirschman (1977), this is the balance Principle of Countervailing Passion. Management adopted it in a special way as early as Charles Babbage (1835) in the form of mutuality on interests: The interests of employers and employees are the same. But managerialism, although accepting the balance principle, cannot rely upon free reign as a useful control mechanism. It must actively intervene to ensure the perception of mutual interest by harmonizing the attitudes and behaviors of employees and clients with the goals of organizations. This managerial project entails another assumption about the human essence.

People Are Totally Malleable

If the human essence is regarded exclusively as external forms, then it can be changed at will by reducing or extinguishing defective behaviors and modifying or redirecting interests so that the necessary harmonious behavior will prevail.[1]

These philosophical foundations for the managerial orthodoxy have been in place for many years, indelibly marking the points of view of traditional management theorists and all of the contemporary organizational behavioralists whose work profoundly reinforces the dictum that *management is mostly about the manipulation of human passion.* The assumption that the human essence is flawed but shapeable makes people in principle as susceptible to control as any other producing or consuming factor in a market system.

But for such control to be effective, each person would have to believe and act as if he or she were defective and totally malleable. Erich Fromm (1955: 77) described this belief as the result of molding people's social character so that their "behavior is not a matter of

conscious decision as to whether or not to follow the social pattern, but one of wanting to act as they have to act."

The practitioners of managerialism have not been wholly successful in this endeavor. Therefore, they must still pay careful attention to the doctrines that support the legitimacy of their authority.

ORTHODOXY AND LEGITIMACY

Management's legitimacy rests upon three doctrines or symbolic representations.

Effectiveness

The doctrine of effectiveness holds that managers, through their expertise, can accomplish organizational goals better than anyone else. This claim is fictional on at least two grounds. First, the bellweather of organizational performance, ROI, is arbitrary and can be made to reflect whatever management wants it to reflect. Second, the behavioral sciences upon which rest much of management's vaunted expertise in harmonizing the human passions are not sciences at all. They are incapable of producing law-like generalizations as MacIntyre (1981) argues, because their "laws" are always accompanied by counterexamples, and that these counterexamples are part of life itself.

Stewardship

Stewardship is managerial fidelity in performing the duties of husbanding the property of others. For years the ideals of trustworthy and selfless devotion to owner interests have been a legitimizing factor in managerial authority. But the concept of stewardship has undergone an enormous transformation, first with Berle and Mean's (1932) implicit separation of the legal fiduciary relationship from moral responsibility, and second with Ralph C. Davis's (1951) observation that management is the steward of the public interests because it alone can successfully distribute organizational resources to multiple competing claimants. Managers, according to these authors, are supposed to do its resource allocation act with a degree of objectivity, fairness, and lack of cupidity ordinarily denied to

common human beings. Not only is this claim unsubstantiable, it is downright undigestible.

Entrepreneurship

Entrepreneurship refers to certain "gifts" of attitudes and behaviors that are not randomly distributed in the population. Rather, for genetic, environmental, and mystical reasons, these gifts seem to be concentrated in certain individuals who show vision, courage of conviction, action against all odds of success, comfort with uncertainty, and magnetism to galvanize people for collective undertakings.

There is not space to discuss the validity of this entrepreneurial stereotype. What must be observed, however, is that the symbolism of entrepreneurship has been twisted by managerial orthodoxy to fit situations that are completely out of context. For example, Schumpeter (1942) wrote of entrepreneurship during the period of high capitalism in this country before and shortly after the turn of the century. He portrayed an environment far different from the present one where professional managers run modern bureaucratic organizations with little or no risk of personal capital. In fact, Schumpeter would say that the modern managerial organization symbolizes the decay of entrepreneurially fired capitalism.

Regardless, organizational functionaries now are urged by their superiors to be "entrepreneurial." But more importantly, the orthodoxy must convince the people of their leader's legitimacy by insisting that its institutionalized version of entrepreneurship is the source of innovation and progress in private and public bureaucratic organizations. Thus, modern managers are supposed to represent the present-day counterparts of the entrepreneurs of the past. Managers want to believe this about themselves, and the people want to believe this about their leadership.

Research on entrepreneurship and its parallel phenomenon of leadership generally does not support the "divine gift of grace" assumptions of the orthodoxy. But ideology is seldom distracted by facts, so entrepreneurship lives a healthy, but fictional life, in the managerial orthodoxy.

In one way or another, Pfeffer (1981), Weick (1979), Pondy (1978) and Mitroff (1983) have made the point that maybe what management is, is the manipulation of legitimizing symbols. There is truth in this, attested to by the aforementioned doctrines of the orthodoxy.

And the consequences of such management when successful may be favorable to the organization. People are mollified. Their disgruntlement is reduced. Their passions are balanced. And, with some luck, maybe their social character is correctly molded.

Considering these happy outcomes, why must the orthodoxy be revolutionized? I propose three reasons.

- It trivializes the human essence by forcing people to be less than what they are,
- which translates directly into the diminishment of human dignity,
- and widens the gap between the rights of the many and the privileges of the few.

Not all societies have revolutionary potential. Some are stable, and some remain so for centuries. But market-centered societies in an advanced stage of managerialism, have contradictions that will lead to their radical transformation. Unattended, this transformation could take America to a homegrown form of totalitarianism (Scott and Hart, 1979). The question is whether scholars of administration will continue to contribute to this ominous future, or whether they will try to influence a more positive outcome.

At this point our field does not need one more piece of carping criticism, one more artifactual analysis of management culture, or one more empirical study of 278 sophomores at a major state university. This work will be done anyway and published in refereed journals. But in addition to it schools of business and public administration and professional associations should encourage and support the tasks of moral discourse. One such task is the consideration of the orthodoxy of managerialism as the major philosophical problem of our time. This appeal for discourse suggests that management scholars do what has been done philosophically for 2000 years in the Western tradition: engage in thought and debate about principles and values.

SOME DIRECTIONS OF REVOLUTIONARY MORAL DISCOURSE

The direction of revolutionary moral discourse is unpredictable. But one thing is reasonably certain, discourse requires personal ideals about a better future in which the ineffability of the human essence is

reaffirmed and the possibilities for its enhancement are increased. Such enhancement demands points-of-view about a number of structural and behavioral requirements for revolutionizing the orthodoxy. Discussed next are four examples of such requirements: the morality of limitation, social enclaves, moral courage, and reason and passion. The first two pertain to structural issues; the second two address individual obligations for revolution.

THE MORALITY OF LIMITATION

Organization size is an overworked topic in economic and management theory. But this assessment is deceptive because the analysis of the size issue in these fields has been instrumental and market related, pertaining to optimality and structural design. Barren to theoretical considerations in management and economics is that aspect of size that relates to the moral issue of limitation. This is not to say that rich sources of commentary on this subject are missing. We must look beyond economics and management for them.

Let us consider three views on the morality of limitation. First, Kenneth Boulding (1978) offers the formulation shown in Figure 1.

Boulding the economist creeps into this illustration. But Boulding the philosopher is more important here because his axes involve moral issues: Too much or too little of anything on either side of a certain point reduces its goodness. The moral question Boulding raises is the necessity for limitation in order to achieve proportionality in human life. This is the very question that Aristotle addressed in regard to the virtues, believing that each virtue had two corresponding vices. On the low side of courage for example is cowardice and on its high side, foolhardiness. Without proportionality according to Aristotle people are led to excesses in one direction or the other.

Second, Leopold Kohr (1978) treats differently the morality of limitation based upon a firmly stated, but dispeptic, assumption about the nature of the human essence. He asks, what is the main cause of social misery? He answers, essentially evil people in social aggregates that are too large, as shown in Figure 2.

In arguing for small-cell units, Kohr does not expect human nature to be magically transformed from evil to good or behavior from vice to virtue. (Human nature is rotten to the core.) Rather instead, evil people in small social containers are more constrained in creating misery than are the same evil people in large social containers. For

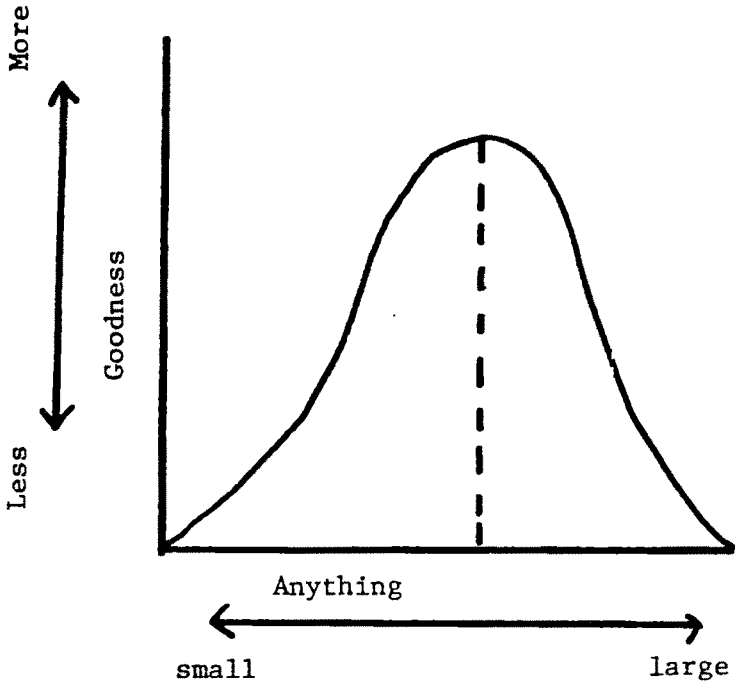


Figure 1: Boulding's Hypothesis About Organization Size

example, a war between Liechtenstein and Wurtemburg creates less net social misery than a war between Germany and France.

Third, Plato recommended the number 5040 citizens as the ideal size for the *polis*. The number itself is not as important as Plato's understanding that for community to exist in the state each citizen should be able to recognize and acknowledge every other citizen in the Forum where politics were conducted.

Plato's morality of limitation had upper and lower extremes. On the one hand a size large enough for the economies of scale was necessary; on the other hand a small enough size also was necessary to permit intensity of human interaction in community. This latter requirement was essential to the moral development of the citizen and the health of the state.

What then do these three views of size limitation suggest for moral discourse? They raise the issue of the dimensionality of "anything"

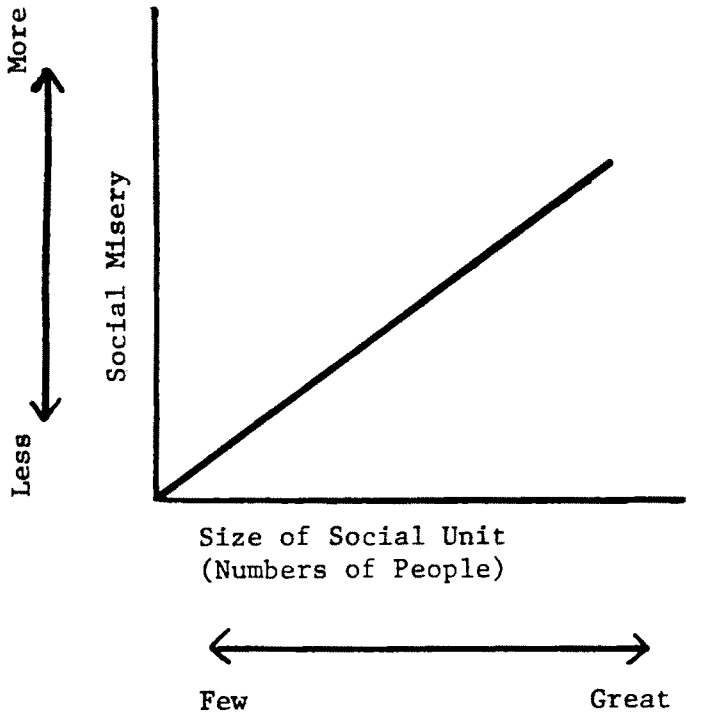


Figure 2: Kohr's Hypothesis About Organization Size

that bears on the humane and pleasing. Yet, in all of the many aspects of dimensionality numbers of people surface as its critical variable. Limitation and the size of social enclaves are intimately connected in moral discourse.

SOCIAL ENCLAVES

The moral issue raised by social enclaves is the presence or absence of diversity in modern life. A. G. Ramos's (1981) position is that market-driven managerial societies suppress diversity because of their unilateral reinforcement of instrumental values and behaviors. The possibilities for people to have a wide range of substantive experiences in social enclaves other than the market driven are reduced. Ramosian reform of this condition is based upon his

principle of delimitation, which is similar to the principles of federalism and subsidiarity. They take as given that in good societies larger social units leave to smaller ones the activities that they (the smaller) can best perform. The a priori assumption is that delimitation increases the opportunity for richness in human experiences. The principle emphasizes positive values such as self-help, local self-determination, community building, group and individual creativity, and most important, the function that intermediate institutions perform in buffering the individual and small groups from importunities imposed by the overwhelming power of large government and private corporations.

The best way to approach the concept of social enclaves is to refer to Figure 3 and its addendum, which is a drastic modification of the basic Ramosian model.

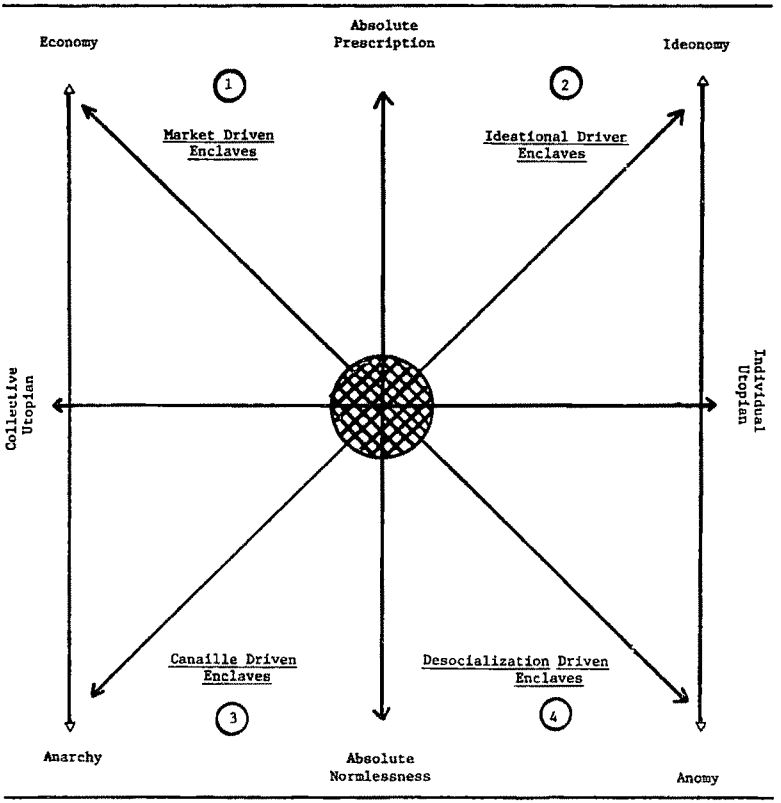


Figure 3: A Drastic Modification of the Ramosian Model Addendum to Figure 3

Addendum to Figure 3

Examples of *Extreme* Power Conditions Represented by the Diagonal Lines in the Quadrants

① Economy: Market-driven distribution of power ⟶ managerial mediation of collective prescription ⟶ governance outcome: totalitarianism. Example: George Orwell's *1984*.

② Ideonomy: Idea-driven distribution of power ⟶ personal mediation, through ideative processes by idiosyncratic prescription ⟶ governance outcome: authoritarianism. Example: Niccolo Machievelli's *The Prince*.

③ Anarchy: Canaille-driven distribution of power ⟶ collective mediation of economic and political delimitation ⟶ governance outcome: syndicalism, federalism. Example: *The Pittsburgh Manifesto of the International Working People's Association* (1884), which expressed the principles of Michael Bakunin's systematic anarchism; Thomas Jefferson's *Declaration of Causes and the Necessity for Taking up Arms*, moderated to become *The Declaration of Independence*.

④ Anomy: Desocialization-driven abandonment of power ⟶ mediated by individual detachment from social norms ⟶ outcomes: nihilism, suicide. Examples: Fyodor Dostoevsky's *The Possessed*, Emil Durkheim's *Suicide*.

This figure demonstrates Ramos' critique of contemporary market-driven societies and his recommendations for reform. Because Figure 3 is not self-evident, some of its salient features should be highlighted.

Each quadrant represents alternative social settings in which people satisfy needs for economic goods (quadrant 1), for disciplined but innovative thought and action (quadrant 2), for group affiliation and interaction (quadrant 3), and for creative personal detachment (quadrant 4). But if the imperatives of any one quadrant, are pushed to the extreme, relative to others, as the diagonal lines represent, homogeneous behaviors are encouraged and the well of diversity dries up.

America is far along into quadrant 1. Driven by managerially defined market imperatives, we are pushing toward the limits of instrumental collective prescription. This movement proscribes possibilities for the substantive experiences offered in the other quadrants. Ramos' solution to this condition is the delimitation of the market

enclave to end its domination over the other enclaves. Ramos' vision of a "good" society might be represented by the circle in Figure 3. This circle suggests that many enclaves exist to satisfy the diverse requirements for human development; that each enclave has equal legitimacy; and that each enclave is of limited size relative to the others, so that no one enclave can dominate social and individual experiences. In short, Ramos argued for a multiplicity of enclaves, as well as for a multiplicity of organization theories, each unique to each quadrant setting.

In the end Ramos' diagnosis and recommendations are not revolutionary. They represent conservative reform at the margin, because they do not address the central problems of Quadrant 1, which are hierarchical authority and cooptive power. Management through the use of its authority and power has a history of coopting spontaneous, natural, gemeinshaft-like enclaves.

Although Ramos may not have succeeded in his revolutionary project, he left a provocative legacy for revolutionary moral discourse. It can be stated in two questions. What would uncoopted organization theories peculiar to each of quadrants 2, 3, and 4 be like? However, there is a prior question that must be addressed. What value-based imperatives are necessary to end the inevitable systemic moral corruption produced by an advanced stage of Quadrant 1? This question is truly revolutionary. And the Surgeon General could warn that pursuing it might be dangerous to one's career progress—which brings up the subject of moral courage.

MORAL COURAGE

What is the individual's duty when confronted by injustices resulting from wrong-headed values? John Rawls (1971) suggested two ethical guidelines: *conscientious refusal,* which obligates individuals to reject offensive values but also requires them to know why their values are preferable, and *civil disobedience,* which obligates individuals to risk action to change that which is offensive. The possibilities for discourse about these two guidelines are immense. But the moral obligations they place upon the individual are equally large and more immediate in their impact upon administrative scholars and practitioners.

Of this there can be no doubt—revolutionary discourse about managerial orthodoxy demands moral courage. Such courage has

two elements, reason and passion, which parallel conscientious refusal and civil disobedience.

On the side of reason, knowledge is the cognitive component of moral courage. It implies a clear awareness of choice between right and wrong alternative values. Choice presumes intellectual freedom, in the sense that although one knows the orthodoxy, one is not forced to be bound by it. The individual is able to postulate reasonable alternatives to the orthodoxy after an informed, imaginative interaction with the objective world of theory, research, and practice.

On the side of passion, heroism is the action component of moral courage. Considering the nature of our world such acts of heroism are likely to be small, often private, lonely, unheralded, and regarded by many as naive and futile. Yet the small act may be the most heroic of all for these very reasons, and because it is based upon the passionate belief that an individual interacting with the world can change its state of affairs in ways that are positive for the human essence.

The global obligations for moral courage speak to almost everyone who has or aspires to have a public life in administration: teaching, publishing, and practicing its sciences and arts. But these obligations raise a terrible dilemma. There often is a disparity between what our cosmopolitan life entails and what we do as locals in our organizations. It is one thing to preach of right values publicly, and another to practice what we preach at home.

Cecil Bell summarized this dilemma perfectly when he said in a conversation, "cosmopolitan entailments of courage lead to local impalements of the courageous." Thomas Kuhn (1970) demonstrated the reason for this. Orthodox paradigms cannot be challenged without expectation of punishment. For academics this means unfunded research, rejected manuscripts, negative tenure, promotion, and merit decisions, assignment to building maintenance committees, and 7:30 a.m. classes. For practitioners this means loss of job or a less draconian "cooling out" to the nether regions of the organization.

Virtue is its own punishment. Most have figured this out, and adjust their lives to avoid it. With expediency in mind, individuals let the orthodoxy go unquestioned; do "normal science" within its prescribed paradigms; and, in accepting rewards, retrospectively rationalize the actions that led to them as virtuous.

These remarks lead back to two themes raised earlier: the Aristotelian virtue of courage is shaped in part by intellectual

honesty. How is this so, and how can it help us with our professional dilemma? Consider what Aristotle (1953: 127-128) had to say in his *Ethics* about anger, "Anger may be produced by a variety of causes, but, however, that may be, it is the man who is angry on the right occasions and with the right people and at the right moment and for the right length of time who wins our commendation."

Aristotle's reference to "right occasions" and "right times" has particular significance beyond just picking fights with care. Anger is a catalyst of change. Moral courage is not only an immediate reaction to an outrageous situation of injustice, it also pertains to occasions and times in each person's life narrative. The moral courage to engage in revolutionary discourse about the orthodoxy may not be understood by many as their obligation: partly because they may see little discontinuity between what they do and what they believe, and partly because they may not be at a stage in their lives where the necessity for such courage is apparent or wise.

The unfolding of life narratives is different for each individual, so there is no prescribed time for changing one's point-of-view and the direction of one's professional action. But we do have some knowledge, from the many studies of the adult life cycle, that the focus of the work that gave personal satisfaction and ego reinforcement at age 35 is often different from the focus required to produce such satisfaction and reinforcement at age 50. At the margin, what does it matter to publish one more journal article, after publishing 17, 32, or 75 on the same general subject? The difference increases for some individuals between what organizational effectiveness requires them to do and what they need to do for integrity and continued personal growth as they advance in professional years.

The heroic actions taken in our professional lives have more than passing importance for our activities as teachers and makers of educational policy. Moral courage demands us to inquire: Are we in the occupation of creating and disseminating information to our publics? Or are we obligated to create experiences that will enhance individual citizen virtue? We must do both, but it takes passion and heroism to answer the latter question affirmatively *and to do it.*

Therefore moral courage simultaneously engages reason and passion. But, at its roots, courage is driven by passion—a passion similar to Aristotelian anger which Joseph Butler (1977: 212) called resentment. He wrote, "resentment . . . is to be considered as a weapon, put into our hand by nature, against injury, injustice, and cruelty." Arguing for this passion, Butler asked,"but is it cool

reflection in the injured person, which for the most part, brings the offender to justice? Or is it not resentment and indignation against the injury and the author of it."

If the orthodoxy has contributed to the trivialization and subversion of the human essence; and if there are some who passionately resent the injuries and injustices that have resulted; then it seems to be asking little for professional associations and schools of administration to have philosophical forums in which the orthodoxy of the field may be openly and freely debated. All that is required is a small act of heroism by concerned individuals. But this act must not be based upon passion alone. Our pride as scholars and practitioners first rests on the reasonableness of the positions we hold and the actions we take.

REASON OR PASSION

Therefore, the impression should be avoided that passion governs reason in the quest for revolutionary discourse. As Hirschman (1977) observed, capitalism emerged from a market-centered orientation in which passion was regulated by natural countervailing influences. However, managerialism, as an extension of this market centered tradition, evolved into the business of cooptive intervention in this natural process. Thus, to be passionate is likely to play the very game of that which must be revolutionized. Consider this example.

Peter Finch acted the part of a demented news commentator in the film *Network*. During his program he gave impassioned monologues about how TV viewers were turned into robots. He was so effective that he stirred his nationwide audiences to open their windows and shout into the streets: "I'm mad as hell and I'm not going to take this anymore." During one showing of this film the audience in the theater stood up and chanted with the characters on the screen: "I'm mad as hell and I'm not going to take this anymore." This reaction was a surprising display of audience empathy to a perceived deterioration in the human essence.

But if the people at this showing of the film understood how their passions were being used they would have trashed the theater. The irony of the situation was considerable. *Network* was produced by Gulf + Western Corporation, a major conglomerate in the communication industry. The novelization of Chayefsky's (1965) screenplay was published by Pocket Books, a Division of Simon and Schuster, which is a Gulf + Western Company. This example demonstrates the

enormous power of the principle of countervailing passion, which when managed can deflect emotional outrage into channels that support rather than oppose managerial orthodoxy. Not even the Presidium in Moscow is so confident of its power to permit such self-criticism.

Jean-Paul Sartre (1948: 37) wrote of the expression of passion in the form of anger that it

> is certainly neither an instinct nor a habit nor a reasoned calculation. It is an abrupt solution of a conflict, a way of cutting the Gordian knot... It is precisely and perfectly adapted to the need of breading the tension or shaking off that leaden cloak that weighs on our shoulders.

Therefore, it is good management to manage the passions. They can be therapeutic to an individual's emotional life. Hence, the significance of the cry: "I'm mad as hell and I'm not going to take this anymore." It cuts the Gordian knot of tension just like the primal scream, beating the boss's effigy, calling people names in encounter groups, and assertiveness training. They are all catharses in managerially controlled situations.

Because of this vulnerability of the passions, revolutionary discourse must arise from reason. Only reason can identify the ideals that guide passionately inspired action. But reason is capable of more. It can discriminate qualitatively among ideals, and it can create alternative means of achieving them. The glory of reason is that it can cut through superficialities, find truth, and in the end be faithful to itself. Of all the aspects of the human essence reason alone has the power of reflection.

But it is a particular type of reason that is critical: the noetic, a mode of consciousness that pertains to the realm of the mind. Its master virtues according to Barzun (1959) are concentration, continuity, articulate precision, and self-awareness. Its purpose, in Vogelin's (1952, 1956) opinion, is to seek knowledge for its own sake; but it also encourages the disclosive scholarship required for comprehension of and judgment upon orthodox beliefs. Yet, as shown in Figure 4, there is a barrier between this highest level of reason and those other levels on which people live the better part of their professional lives.

The market-driven mentality of academic administrators forces disclosive scholarship to give way to communicative scholarship. The field of administration is fixated on empiricism. Its "normal science"

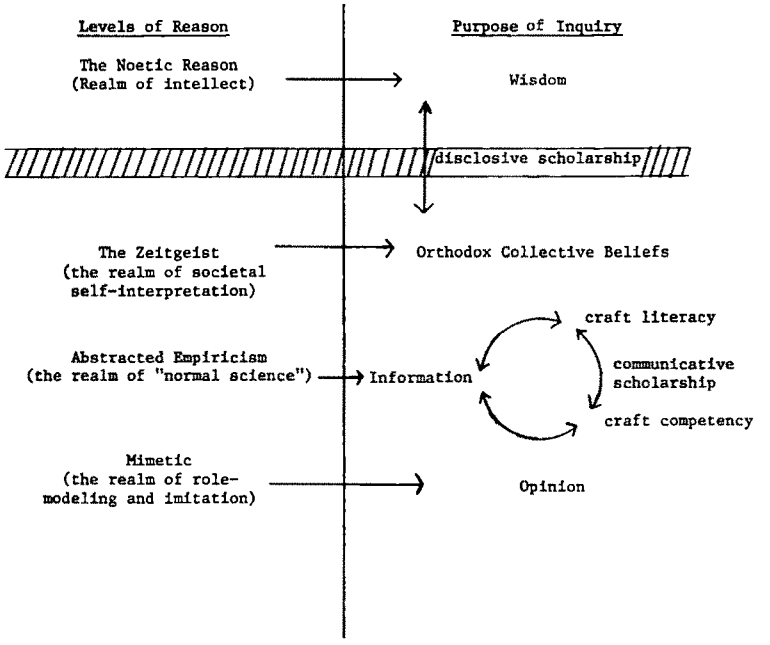


Figure 4: Modes of Consciousness

produces information: a high, hard ground to which academics are encouraged to retreat as a safe refuge from the messier terrains of noetic reason. Their professional function is reduced to the process of improving craft literacy, by increasing what is known, and transmitting this information to various publics such as students and practitioners who demand craft competency. Being propelled by this market demand for informational products, an iron circle of communicative scholarship is forged in administrative theory and research.

Although communicative scholarship is necessary in any field, it is not as essentially enhancing as disclosive scholarship, either to ourselves or to our public. However, forums for disclosive scholarships are unfamiliar in professional schools and associations, although less so in public administration as compared to business administration.[2] Is there an opportunity and an incentive for continuous, open, and free moral discourse about what is wise and reasonable compared to

what is orthodox and market driven in administrative forums? If there is concern that this cannot be answered affirmatively, consider three action proposals:

- Let us, individually, undertake to establish within our professional schools of administration philosophical enclaves to examine the questions that are raised by the values and ethics of management. These groups may have to be informal at first. But if the experience with such groups at the University of Washington is any guide, they can be very stimulating and enlightening to students and faculty.
- Let us, establish within our professional associations such as the Academy of Management and the American Society for Public Administration forums for moral discourse. Further, let us encourage that such forums be included in the regular programs of national meetings.
- Let us move toward a collaborative effort among the American Society for Public Administration, the Academy of Management, and the American Assembly of Collegiate Schools of Business to establish an independent institute for philosophy and values in administration.

The spirit behind these three initiatives is to encourage the formation of enclaves in administration dedicated to the realm of the mind. Noetic reason needs, as Barzun (1959: 261) wrote, "the congregation of talents spurring one another to higher achievements by the right degree of proximity . . .; it needs the language and the conversation that maintains its unity . . .; it needs precision to dispel the blinding fogs of folly and stupidity; and it needs self-awareness to enjoy its own sport and keep itself from vainglory."

The congregation of talents, language and conversation, precision of thought, and intellectual self-awareness. What better ideals are there than these to guide enclaves for moral discourse? There is a hunger for such discourse in administration. Some measure of this is the type of articles that have been appearing since 1980 in *Administrative Science Quarterly, Public Administration Review, Administration & Society,* and the *Academy of Management Review.* Also recent books, such as Mitroff's (1983) touch upon profound philosophical issues. The authors, who are writing in this vein, take particular philosophical positions on the variety of issues they raise. And I am no exception, judging from this article. But my purpose is less to argue that the orthodoxy is wrong, rather it is more to emphasize that

the process of moral discourse is critical to our professional lives. Therefore the case for revolutionizing the managerial orthodoxy does not rest; it should be the beginning of debate.

NOTES

1. Professor Thayer has pointed out to me in correspondence that the assumption of human malleability is critical in many important human endeavors such as education and moral development. This position is correct because people could not be influenced for the better if their natures were not malleable *in some measure.* The operational words, however, are "in some measure," and ultimately the problem reduces to a matter of belief. Do we want to believe with the radical behavioralists that people are totally malleable? Or do we want to believe that the human essence has a corner of autonomy that is inaccessible and inviolable? Even if we believe that 99% of the human essence is malleable, the remaining 1% of autonomy represents a principle and value worthy of defending, because it is the source of human freedom and dignity.

2. The obligation of academics to support and engage in discourse about the purpose and values of administration is the subject of the "Blacksburg Manifesto." This draft document, written by Wamsley, Goodsell, Rohr, White, and Wolf is officially titled "The Public Administration and the Governance Process: Refocusing the American Dialogue." It is addressed to the field of Public Administration, and it represents a unique statement of values for this field. A parallel statement in "business" management does not exist, largely because this aspect of administration, in both its practical and academic manifestation, is devoid of concern for the discourse necessary to create praxis and reflectiveness.

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This article models how organizational memory develops and applies that model to three presidential agencies. Such memory is information generated within an organization, providing a sense of identity and an ability to learn. It enables staff agencies to ground information and advice to the president in sound historical knowledge. Presidential demands and extrapresidential responsibilities influence six organizational features, which in turn affect how memory develops. Usually, presidential requirements disrupt memory, and extrapresidential demands facilitate it. Data from staff interviews allow application of the model to staff components of the National Security Council, the Office of Management and Budget, and the Council on Environmental Quality. As expected, OMB receives the most extrapresidential pressures and the fewest presidential demands, and its organizational features help memory to develop. NSC depends on the president alone, and its features deter memory development. CEQ receives few external demands from any source, and its features mildly support some types of memories. Hence OMB has the most extensive memory, strongest learning capability, and clearest identity; NSC has the least memory, learning capacity, and sense of identity; and the CEQ's memory results in strong identity but weak learning.

DEVELOPMENT OF ORGANIZATIONAL MEMORY IN PRESIDENTIAL AGENCIES

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Over the past fifty years, the presidency has emerged as our society's primary source of political leadership and initiative. The office's uniquely broad scope of powers and responsibilities necessarily requires that each of its occupants be "trained on the job" (Nathan, 1975: 4), which usually takes 12 to 18 months (Neustadt, 1980: 149;

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Kessel, 1975: 10). One of the intended functions of many of the agencies of the Executive Office of the President (EOP) is to help new presidents learn from the past.[1] To do so, however, they must know about the past. The capacity to recall is a precondition to learning. Therefore, they must accumulate and maintain some organizational memory. In fact, the oft-noted failure of presidential agencies to assist presidents in learning about the office has been attributed to their failure to develop organizational memories (Price, 1980; Heclo, 1977a).

Thus, the purpose of this article is to understand those factors in the presidency that facilitate and deter the development of organizational memory.[2] To that end, I first describe the nature of organizational memory and develop a general model of its determinants and consequences, and then apply that model to the presidential context by comparing staff components of the Office of Management and Budget (OMB), the National Security Council (NSC), and the Council on Environmental Quality (CEQ). The model enables me to identify those features in each agency's presidential context that account for differences in their memories and associated agency characteristics. Finally, I describe and compare the agencies' memories.[3]

A MODEL OF ORGANIZATIONAL MEMORY DEVELOPMENT

Organizational memory is information acquired by one agency member and shared with others who use it. It exists in members' minds as "natural" memory or in the agency's records as "artificial" memory (Simon, 1957: 87, 166). How organizational memory originates and affects an agency's characteristics can be shown by comparing freshman dormitories with fraternities. Both endure, but in significantly different ways. Norms and routines develop in a dorm during a school year, but are lost when the new year begin. They have no memories. New freshmen are not likely to know how the dorm was run in the past, so each year new communities must form. They may differ greatly, or they may develop in strikingly similar ways. Still, similarity does not imply continuity. Freshmen cannot build on past

experience if they are ignorant of it. Like a freshman dorm, some agencies are *recurring organizationas.* They cyclically begin and end, with no memory to lend continuity between cycles. Fraternities operate much differently. Current members recruit newcomers, and teach them about the fraternity. Documents are retained to record its history and rules. These practices create memories, giving the fraternity a distinct and continuing identity. In addition, when performing recurrent tasks, like sponsoring a campus social activity, the fraternity can learn from its own past efforts, in order to improve its performance. Agencies resembling a fraternity are *continuous organizations.* They can recall and learn from their pasts. Thus, the presence of organizational memory can significantly influence the character and capabilities of an agency.

ORGANIZATIONAL MEMORY CONTENTS

Organizational memory possesses two dimensions: its *substantive content,* and its *normative orientation.* Substantively, memory may consist of *procedural* or *programmatic* information. The former concerns how the agency operates. It notes tasks assigned to positions in the agency and records the relation of every position to others in and out of the agency. The latter concerns policies considered by the agency, describing their history: when, how, and why each developed, the options that were considered, the position people took on them, and the results of the one chosen. Normative orientation refers to the presence or absence of norms. *Descriptive memory* is devoid of explicit norms. The information it contains does not include judgments about the advisability of repeating such behavior. This is not to say that the selection of information contained in the memory does not exhibit some implicit bias (including, for example, only instances of actions that were deemed "successful"). Rather, it simply means that the information itself does not explicitly recommend one behavior over another. In contrast, *prescriptive memory* consists of norms based on organizational experience, and exists as formal rules or informal expectations.

Memory contributes to two organizational attributes. Descriptive memory creates an organizational *learning capability* that informs and conditions decisions with knowledge of the past. As the fraternity

TABLE 1
Components of an Organizational Memory

		Substantive Content	
		Procedural Information	Programmatic Information
Normative Orientation	Prescriptive Information	1	2
	Descriptive Information	3	4

illustration shows, when an organization can draw upon past experience, it can improve its performance (Whetten, 1978). Without it, members can learn only by their own experiences of trial and error (Feldman and Kanter, 1965). Certainly, a collection of descriptive information that is skewed toward one point of view, or that fails to include a "balanced" recollection of the past may result in faulty learning (that is learning that does not improve an agency's performance). However, the issue of bias in the memory selection process is beyond the scope of this research.

Prescriptive memory helps create an independent and self-sustaining organizational *identity*—a continuing, characteristic structure and sense of mission (Gawthrop, 1969: 58). Again, the fraternity example illustrates how a set of norms creates traditions and characteristics that typify an organization, and set it apart from others. The combination of a learning capability and identity enable an agency to become an enduring, continuous organization rather than a disrupted, recurring one.

ORGANIZATIONAL MEMORY DETERMINANTS[4]

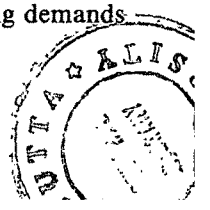
Six agency features affect the development of organizational memory. (1) *Staff turnover:* As rates of turnover rise, the ratio of newcomers to veterans rises, making the transmission of memory more difficult and less likely. (2) *Record-keeping regulations:* As more records are made accessible to new members, artificial memory

is more easily transmitted. (3) *Veteran-newcomer cooperation:* As veterans become more willing to help newcomers, and as newcomers become more accepting of veterans, the likelihood of memory transmission increases. (4) *Goal compatibility:* If the learning capability and identity engendered by memory better helps newcomers achieve their aims, then it is more likely to be acquired and used. (5) *Job routine:* As task variety and discretion decreases, the member is more likely to use agency memories. (6) *Recruitment control:* If incumbent staff members retain control through transitions, (a) turnover should decrease, (b) veteran-newcomer cooperation should increase, and (c) the compatibility of organizational memory and new members' goals should increase.

PRESIDENTIAL CONTEXT FOR MEMORY DEVELOPMENT

New presidents who defeat incumbent party candidates tend to disrupt organizational features that affect memory development in EOP agencies. They are disruptive for three reasons. First, they do not seek or use information or advice from the defeated incumbent. Campaign conflicts exacerbate animosities, reducing cooperation during transitions (Hess, 1976: 17; Neustadt, 1980: 218). Likewise, winning encourages victors to underestimate the incumbent's experiences or views and to overestimate their own capabilities (Henry, 1960: 722). Second, new presidents are predisposed to make changes in order to at least appear to start anew (Hess, 1976: 59-60). Challengers base much of their claim to office on promises to correct errors of incumbents; once elected, they are committed to those changes. Yet repeated changes disrupt the stability and routine that might otherwise facilitate development of organizational memory. Third, a new president demands strict loyalty from his staff (Sorenson, 1965: 287; Christian, 1970: 258; Nixon, 1978: 355). Responsible for the conduct of the government and the condition of the country, a new president replaces most members of the old administration with staff expected to serve his interests. Thus, new presidents spur many changes that disrupt memory development in the EOP agencies.

Not all agencies are equally affected by new presidents. Presidential interest in agency operations differ, as do competing demands



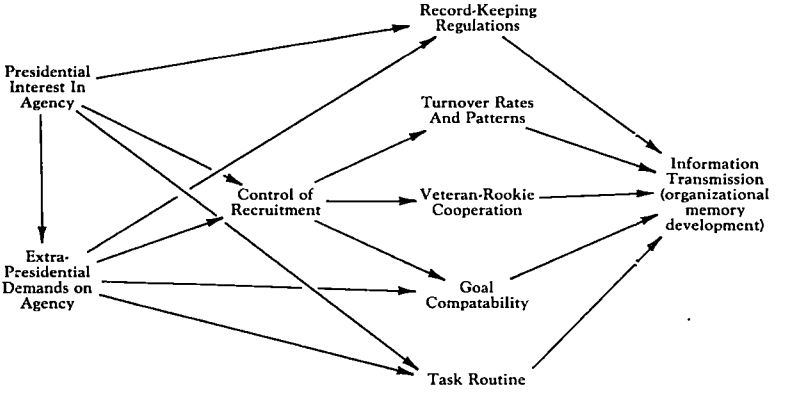


Figure 1: Model of Organizational Characteristics Affecting Organizational Memory Development

from outside the presidency. As presidential interest increases and demands from the outside decrease, the agency's likelihood of forming features that support memory development is reduced. These basic relationships are illustrated in Figure 1. Consider first the *presidential interest* variable. Presidents are less interested in agencies dealing with low priority issues. Such agencies are less affected by changes in presidents. The issues addressed by the staffs at NSC, OMB, and CEQ clearly differ on this variable (Kessel, 1975: 5-7). Consequently, presidential concern for the NSC staff is much higher than for the OMB or CEQ. International involvement is "an imperative policy area" (Kessel, 1975: 5) of vital importance to all recent presidents (Cooper, 1969; Asher, 1980). By contrast, presidents have been only modestly interested in OMB budget examiners (Schick, 1970; LeLoup, 1979) and little interested in the work of CEQ staff (Cahn, 1978).

Extra-presidential demands (originating in the Congress, the bureaucracy, and interest groups) on EOP agencies are relatively stable, aiding agency continuity. Moreover, mandated duties (such as annual reports) may encourage long-term perspectives, further encouraging stability. These expectations and requirements are self-

reinforcing: If they persist, they are more likely to institutionalize (Seligman & Covington, 1979). This reduces a president's ability to change the agency and supports memory development.

The OMB and CEQ are subject to many of these demands; the NSC very few. OMB examiners serve the most competing requirements. First, their budget-making and legislative clearance functions are institutionalized. Congress and the bureaucracy expect these tasks to be performed regardless of presidential priorities (Neustadt, 1954; Wayne, 1978). Second, the civil service code regulates recruitment of all examiners and their immediate superiors, insulating staff decisions from presidential influence. Third, an institutionalized norm of neutral competence defines a stable role for the staff, enabling it to serve a succession of presidents (Heclo, 1975). Even in its currently weakened form, it still affects staffers' actions (Berman, 1979). CEQ is subject to fewer extrapresidential demands than OMB. First and foremost is the pro-environmental orientation conferred on CEQ by the National Environmental Policy Act of 1970 (NEPA). It mandates CEQ to advocate environmental protection to the rest of the government, regardless of changes in presidents. Second CEQ is required to publish an annual report, giving the staff a periodic opportunity to express its views. Finally, CEQ initially oversaw production of environmental impact statements (EIS), in which government agencies must assess effects of their proposals on the environment. CEQ wrote EIS guidelines and assessed the adequacy of individual statements, further stabilizing the staff's pro-environmental sentiments. The NSC staff, however, has no alternate informal policy perspectives or mandated procedural duties. Presidents use it as they see fit (Legere & Clark: 12). Each president is *expected* to adapt the system to his own preferences (Sonnenfeldt, 1971: 124).

Because OMB staff responds to many extrapresidential demands and evokes little presidential interest, transitions should not disrupt features that facilitate memory development. NSC staff is vitally important to the president and subject to no other demands, so it should be seriously disrupted by changes in presidents, deterring memory development. CEQ staff serves few interests of presidents but several from outside (though far fewer than OMB staff), thus it should exhibit features supporting memory development, though less than OMB. Let us examine how well these expectations are fulfilled.

ORGANIZATIONAL CHARACTERISTICS OF THE EOP AGENCIES

The six features that affect organizational memory development are evident to varying degrees in the three EOP agencies.

CONTROL OF RECRUITMENT

When agencies make their own recruitment decisions, memory is facilitated; when the president controls recruitment, memory is impeded. By law, budget examiners are beyond presidential control. Under the Civil Service Code, they are hired by their immediate superiors (also civil servants). Presidents recruit only top agency officials. CEQ staff are noncareer appointments, subject to presidential approval. However, since 1971, control has devolved to the staff. As a member said, "CEQ was not seen as being that important politically to the president that he needed his own people." Since Kennedy, presidents (or national security advisers) have dominated NSC recruitment. All its professionals are political appointees. Most come from other government agencies, universities, or research institutes. Thus presidential control of recruitment is greatest at NSC, least at OMB.

STAFF TURNOVER

As turnover rates increase, disruptions of memory should increase. Since CEQ's inception in 1970, professional staff turnover has averaged 32.3% annually.[5] More importantly, the Nixon-Ford and Ford-Carter transitions did not significantly raise turnover rates. As one staffer claimed, "the staff positions are not political positions. They never have been.... There has never been a harvesting of those slots." Thus transitions should not impair CEQ's ability to transmit memory.

At NSC, turnover within a single administration appears to average just over 25% a year.[6] However, since 1960, turnover in each year following an electoral change in presidents has been very high. Kennedy replaced Eisenhower's entire staff, and Nixon wanted to fire all Johnson staffers. Kissinger persuaded him to keep two (Destler,

1974: 108, 123). Under Carter, 83.3% of the Ford staff had left by October 1977. Hence NSC turnover during transition years easily surpasses the highest CEQ rate (53.1%) and averages 80-90%.

Although data on OMB turnover are not readily available, Heclo (1977b: 80) gives a general sense of its turnover: "compared with a personnel turnover rate in the teens or lower during much of the 1960s, over one-quarter of the professional, full-time staff . . . separated from the OMB . . . during fiscal year 1973." Thus OMB turnover in 1973 was less than the minimum common in the other two agencies. Because OMB turnover is generally known to be little affected by changes in presidents, turnover should be least disruptive of memory development at OMB, most disruptive at NSC.

RECORD-KEEPING REGULATIONS

EOP records can be classified as presidential papers, agency records, or personal staff records. Presidents (with the exception of Nixon) take their papers with them. Agency records remain with the agency, and the disposition of staff members' is left to the discretion of the individual. Increasing the relative proportion of agency records should improve an agency's memory.

Almost all NSC records are presidential papers, so NSC is unable to recall information internally except by formal documents (e.g., Nixon's National Security Study Memoranda). All other memos, correspondence, daily paperwork, chronfiles, and supporting documentation leave with the president. One staffer said that "Johnson left the cupboard bare for Nixon and Kissinger." Of the Ford-Carter transition, a staff secretary reported that "all the agency's files were boxed up and shipped out by January 20th." A staff member who served through that transition had even his own personal working papers removed. Hence NSC must turn to such sources as the State and Defense Departments for information about past policies. This creates serious problems. For instance, Carter's staff wanted the record of negotiations between Nixon and the People's Republic of China. Removed by Kissinger to the State Department, it was over a month before NSC acquired them. As another staffer remarked, "papers disappear on inauguration day. It is difficult to identify what records exist, and then there is a physical access problem." A Nixon staffer concluded, "I do not think the institutional mechanisms were

very effective . . . If you were to replace the staff with all outsiders, . . . there would be a lot of problems." A new Carter appointee declared, "my gut impression is that organizational memory [through records] is still a very random, hit-or-miss thing."

OMB records are more extensive and less disrupted by changes in administrations. No respondent had records removed during a transition. One said "there is tremendous continuity [between administrations]. You're definitely not starting out tabula rasa." OMB retains records like the Budget Examiner's Handbook, OMB circulars, past budget estimates, legislative history files, and other supporting documents. Examiners' personal files (which contain correspondence, memos, and personal work sheets) are apparently unregulated. Thus OMB retains the vast bulk of its records.

CEQ has few documents removed during transitions. Nothing prevents removal of its records, but no president has chosen to do so. Still, little besides final reports remain as agency records. Disposition of other material is left to the staff. Hence some newcomers inherit "voluminous files," and others get nothing. In sum, the three agencies differ greatly in the amounts of artificial memory they retain.

VETERAN-NEWCOMER COOPERATION

This concept concerns veterans' attitudes toward newcomers, and vice versa. Supportive veterans make it easier for newcomers to acquire memory. CEQ veterans who had left the agency were somewhat willing to help their successors. Only seven of the respondents had relevant experiences. Of those, one predecessor was unwilling to help, one was unavailable, and two helped only minimally. Only three were very willing, described by their successors as "having a teaching attitude" or being "extremely sympathetic." CEQ veterans still with the agency were much more willing to help. A vital source of instruction, they were called "big brothers," "guides," and "educators" who join in "a learning process." The respondents also were willing to help newcomers. Only one rejected the role, and five gave concrete examples of aid they had rendered. One respondent claimed to be "the institutional memory for my successor and the council generally," a claim substantiated by other respondents. Thus, CEQ veterans were very willing to help newcomers, whereas predecessors were less so.

As at CEQ, OMB predecessors were somewhat willing to help newcomers. One respondent chose to ignore his predecessor. Of the other nine, three predecessors were either unwilling or unavailable to help, and six were at least minimally open to providing aid, although none seemed to support the successor actively. Most were "available" or "willing to talk" but did not take initiative or offer more aid than requested. Veterans still around were much more willing to help. One respondent benefitted from special weekend orientations run by his Branch Chief and other veterans. A second was accompanied by veterans to her first budget hearings. Two others had superiors who came to work early or stayed late to answer questions and "reminisce." One saw his branch as a helpful "fraternity."

By contrast, all eight NSC respondents felt that their predecessors were at least minimally willing to help, usually through a few early contacts. Even four in the incoming administration had helpful predecessors. According to one who served through the Ford-Carter transition, "At the professional level, the personal contact was good and smooth, [which was] not true at the political levels.... Even when there is a political changeover and conscious effort to emphasize discontinuity, as in the Ford-Carter transition, there is still a lot of professional contact [in the staff]."

My model predicts that loyalty to particular presidents discourages cooperation across administrations, yet NSC staff aid did occur. This may be explained by staff professionalism. Five of the eight volunteered that they belong to a small community of scholars and experts that included members from past administrations. Thus new members are known and respected by past staffers, and vice versa.The sense of professionalism mutes partisan differences. This corresponds to the Blau and Scott (1962) distinction between cosmopolitan and local orientations. Professional norms enable staffers to be more cosmopolitan with members of other administrations, minimizing disruptive effects of presidential involvement. Only five respondents had a chance at aid from veterans still with the agency, due to high turnover at the start of an administration. Four found that veterans were willing to help. One said veterans were "especially helpful" and a second said he "learned extensively" from veterans.

New members' receptivity to veterans is the second factor affecting cooperation. Receptivity to veterans was greater at OMB than either CEQ or NSC. Budget examiners expressed no "us versus them"

attitudes. The relaxed way in which OMB respondents discussed relationships with more experienced colleagues indicated their trust and receptivity. Lack of partisanship in the staff plus its role in recruiting new members enable new examiners to cooperate with veterans, regardless of the administration when they were hired. NSC members were much more receptive than expected, presumably out of the same professionalism enabling veterans to help newcomers. CEQ newcomers were least receptive and strongly desired personal autonomy. This precluded relying on predecessors. For example, one preferred to rely on his own "common sense," and a second said he wanted to "strike my own pose." Even so, most still wanted some interaction with veterans. One considered himself "lucky" to be able to learn from a veteran, and another saw veterans as "big brothers." Within all three agencies, new members were generally able and willing to cooperate with either their own predecessors or with remaining veterans.

JOB ROUTINE

The less the variety in the tasks performed and the less the discretion in deciding how to perform those tasks, the more motivated one is to acquire organizational memory (Hage and Aiken, 1969). These were low at OMB. The work is highly repetitious. Formulating each year's budget takes up more than a third of budget examiners' time (Schick, 1975: 34). They review requests, hold hearings, and make recommendations, leaving little room for individual interpretation. As one respondent stated, "we have a role to play. We have questions we have to ask . . . [an] internal logic." One examiner valued her boss's advice precisely because the job "is cyclical, it's all been done before, there's nothing new. . . . [The job involves] very routinized timetables which increase certainty." Beyond budgets, examiners have routine duties in clearing legislation and enrolled bills. The result is a "highly rigorous, formalized budgetary aand legislative clearance cycle with . . . legally mandated deadlines" (Berman, 1979: 88). OMB's work has remained relatively unchanged over the past thirty years (Schick, 1975; Hyde and Wayne, 1979).

NSC staff has little discretion, mostly reacting to demands of the national security adviser and the president. One staffer noted that

"the agenda is set for you by the logic of the situation. . . . The job doesn't encourage reflection. You may have delusions of grandeur about setting your own agenda, but its probably not true." Another said that his time is spent "responding to issues that had to be dealt with. . . . You try to not let the urgent push out the important." One recited a long litany of duties performed, concluding that "there is not much scope for initiative. . . . Once you get going, you . . . really get driven by issues that the President wants focused on, or are important. In that staff a few people brainstorm, but you get driven by the interests of the President and Security Adviser and issues in the world. There is not lot of time to freelance."

Although low discretion favors job routine, task variety is high, preventing routines from forming. Repetitive tasks include monitoring cable traffic with embassies and overseeing the flow of documents to the president and the national security advisor. But most other NSC assignments are less repetitive. For instance, NSC staffers prepare "talking points" for when the president or his representatives meet foreign dignitaries, travel as advisers to high-level emissaries to other countries, and provide information to parties in and out of government.

Staff structure has also changed significantly between administrations, further disrupting NSC routine. Each president rejected the preceding structure, creating an organizational "fishtail effect" (Pious, 1979: 364). Kennedy's staff was small and collegial, with easy access to the president, partly in reaction to Eisenhower's formality. Nixon enlarged the staff dramatically and established a clear hierarchy of senior and junior staffers, giving none regular access to the president. Carter abolished the junior/senior split, and the entire staff had easier access to Brzezinski and Carter. Lacking structural stability, the NSC has not developed stable routines. Although job discretion is low, then, NSC's various and changing tasks, plus its major shifts in structure across administrations, have kept staff jobs from becoming very routinized.

CEQ staffers enjoyed unparalleled freedom in choosing tasks, keeping their work from becoming routine. A former member said the agenda "was heavily dependent on staff interest and initiative . . . [although] the staff director influenced the choice of topics pursued." Another defined his role as "policy development in the broadest sense. . . . We have to attack the worst problems first. . . . We act at our

own discretion. . . . [I do] mainly self-initiated work, and rely on my own sense of what's important. . . . It's a source of enormous satisfaction to decide what to try to do." A third reported that "the staff has had a free hand to raise issues. . . . We dream them up." Although Carter's second CEQ chairman, Gus Speth, required the staff to coordinate their work plans with his goals, most still felt basically free to choose their own lines of work. The one repetitive job that could restrict task variety is CEQ's Annual Report. Each staffer writes a chapter or portion thereof, which is time-consuming. But the content of work largely reflects individual priorities, so that the Report provides only a broad timetable for addressing a wide range of issues.

In sum, OMB job routine is fairly high, expecially in the budget season. This motivates staffers to learn from the past. In contrast, NSC task variety is high and CEQ has much variety and discretion. Consequently, NSC and CEQ staffs have little incentive from work assignments to learn about the past.

GOAL COMPATIBILITY

Respondents advocated five types of goals: (1) personal interests of the president, (2) particular policy positions, (3) agency aims, (4) professional norms, and (5) personal advancement. Memory is most likely to be disrupted by loyalty to the president and most likely to be supported by loyalty to the agency. NSC staffers give highest priority to serving the president (Johnson, 1969; Endicott, 1977). One said he had "a direct sense of serving the national security adviser and through him the president." A second felt he had to know "how the President works, how to serve a president." A third said his work was "tailored to the qualities of the Assistant for National Security Affairs and the President himself. [His] work was driven by the interests of the President and the Special Assistant." In a valuable comparison, one who had been a budget examiner at OMB compared the two jobs: at NSC, "the point of your job is to be responsive [to the President]. OMB has professional continuity to serve the President and the presidency, objectively and analytically. The NSC has the same function, but tends to be more responsive to the President. I was recruited by Kissinger and therefore am responsive to . . . his directions and view of geopolitical realities."

A subsidiary goal noted by several NSC staffers was their sense of professionalism, manifested by the desire to provide objective analysis. For example, one said that "you must make sure the President has all the views, and not be guided by what the President wants. You have a responsibility to send the President dissenting views. He needs and should have that information." The former budget examiner had the same concern, balancing his loyalty with the "need to be intellectually honest and present balanced views to the President." Another subsidiary goal was advancement of personally preferred policies. One staffer said he "could work for anyone who was in favor of" his policy goals. A second took his job believing he "could help make progress on the Arab-Israeli issue." More generally, another said that, his staff work gained him "an opportunity to advance [his] own views. If [he] could influence Kissinger, then [he] could influence the President." Still, this goal was subordinate to loyalty to the president. As one staffer noted, "you're on a team. You have to play on that team until you can't anymore, then you have to get off."

CEQ's staff goal was to advocate environmental quality. Staffers supported what was best for the environment, not the president. In an interview, a journalist said that Carter's CEQ was "really an advocacy focal point. . . . The primary thrust of CEQ is to influence presidential policy. . . . [T]hey see themselves as fighters." Staffers agreed. One claimed "our job is to give good advice—not what [the President] wants to hear, but what is right." Another, who served Nixon and Ford, said that "the White House was never important in setting CEQ's agenda. . . . The first priority of the Council was other agencies and NEPA, second was the White House." Some recognized that this advocacy role creates a conflict: "the Council works with the President, but at the same time, the Council needs to protect NEPA." As one member expressed this dilemma and its resolution:

> CEQ keeps its own objectives and goals high—it tries to convince the president of what actions to take, while being sensitive to not being just the funnel for environmentalists' goals. Our mandate is to present goals of environmental quality to the president, even though that means we won't be listened to. We want to be part of the White House decision-making process, but also to maintain environmental ethics. CEQ has a unique role within the White House—not doing simply what the President wants, but also doing what NEPA says. CEQ

> doesn't sell its soul to the administration. You may lose more than you win, but you've got to do what's right.

No CEQ staffers advocated the president's personal goals. Five mentioned personal advancement as a reason for taking or leaving their jobs. Thus protecting the environment is that staff's main goal.

OMB budget examiners espoused the two goals that define neutral competence. First, there is general agreement that the staff should be objective. One respondent said that "you need to use merit as the first criterion for making decisions about programs. . . . [Y]ou don't skew information, you make it objective." Another said that "changes in presidents make little difference here. . . . [The main thing is to] do your job well." Second, OMB staffers strive to respond to goals of the current president. As one stated, "the job is to make sure budget requests fit with administration policy." Another declared, "our first job is to protect the President's backside and carry out his preferences." A third said that "we have only one client—the President of the United States." Policy advocacy was mentioned as a goal only twice (and then indirectly). Career advancement rated higher, cited by nine examiners as a reason for taking their jobs. Thus OMB staff usually put aside personal policy views in deference to the current president's position, regardless of differences among presidents.

In summary, the three agencies can be ranked clearly in terms of their organizational features' *cumulative* effects on memory. OMB's institutionalized norms and routines of operation, linked with its absence of presidential involvement in staff activities, strongly support memory development. At the opposite extreme, the NSC performs tasks of vital concern to presidents and is unprotected by insulating norms or duties. The CEQ stands in the middle: presidents rarely intervene in its affairs, yet it is seldom subjected to extrapresidential demands that might stabilize its operation. Thus OMB should exhibit the most extensive memory, NSC the least, and CEQ should fall somewhere between.

CHARACTERISTICS OF THE AGENCIES' ORGANIZATIONAL MEMORIES

Organizational memories can be described by: (1) the frequency with which new members use memories, (2) the contents of those

contacts, and (3) the nature of each agency's learning capability and identity.

FREQUENCY OF INTERACTIONS

The pattern of personal contacts at OMB and CEQ differs from that at NSC. All NSC respondents reported significant contact with predecessors, whereas only half of the OMB and CEQ staffers did. But all OMB and CEQ staffers claimed frequent contacts with veterans still in the agency, whereas only half of the NSC staffers did. By one means or the other, all respondents had access to their agency's natural memory. They all had access to formal documents and reports. Access to less formal records, however, differed significantly. Six OMB respondents had access to unofficial records, memos, and other background documentation. Five of the six also used predecessors' personal files. The CEQ pattern was similar: four used predecessors's files. At NSC, only two had access to informal records, and only one had read his predecessor's files. He is unique because he was serving a second time, succeeding his own successor within the same administration. Thus a potentially important source of artificial memory was available at OMB and CEQ but not at NSC. New OMB staffers had the largest number of contacts with the widest variety of memory sources. NSC newcomers had the fewest contacts. This suggests that OMB's organizational memory is more developed than NSC's or CEQ's, a conclusion supported by most observers of the presidency (Rose, 1976; Pious, 1979; Berman, 1979). Both interview and secondary data show that OMB has the most extensive memory.

MEMORY CONTENTS

To catalog all contents of these agencies' memories is beyond the scope and means of this study. Instead, I have reviewed staffers' responses for indications of the existence and use of different types of memories. All four components of memory (Table 1) seem to occur in each agency, with some stressed more than others.

At CEQ, prescriptive, policy memory (cell 2) was most frequently mentioned. All respondents adhered to CEQ's pro-environmental policy perspective. As one stated, "this is *not* a neutral place. We're not necessarily biased, but it is very clear that . . . [we are] to be

pro-environmental." Responses also showed a set of norms defining CEQ's relation to the president (cell 1). All interviewed subordinated advising presidents to advocating environmentalism. This is reflected in staff statements about goals. Before the Carter administration, said one staffer, "there was no question of advising the president. They never met, so that function was cut off. Since he had nothing to lose, [Chairman Russell] Peterson focused on developing a constituency and representing that to the White House.... With Carter, the CEQ has returned to the advisory role. . . . The Council is closer to the President now, but to a large extent it is still autonomous. There's still a group of [White House] staff between the President and the CEQ." Similarly, a Carter staffer remarked that the "current Council works more closely with the White House.... [I]t nurtures that relationship. But at the same time, the Council needs to protect NEPA.... There certainly have been tensions between the White House and CEQ, but that's the function of the Council." Another said, "we act at our own discretion. We don't look for cues." CEQ staffers had much less descriptive knowledge of their predecessors' programmatic activities (cell 4). Only one saw that knowledge as a possible basis for setting his own agenda. But CEQ staff did know descriptively about past relationships, procedures, and techniques of predecessors and veterans (cell 3). Many had learned "how to get studies started" or "what people to work with" on an issue. As one noted, "it was important to know where we had been before—what had been useful, and what's a dead end.... Remembering who can be trusted, and what works."

All four kinds of memories were present at OMB. In terms of prescriptive policy memory (cell 2), staffers were expected to provide superiors with objective, nonpoliticized analysis. Most respondents also emphasized that descriptive policy information (cell 4) is vital. New examiners must learn the history of the budgets and legislation that they review. Of the ten, eight relied heavily on an organizational source for this knowledge. One said that using her records of past budget seasons was "how I got through the [first] season," and a second said that his branch chief "knows about every budget program. . . . [H]e can tell you what the issues are." OMB also displays descriptive and prescriptive memories about procedures (cells 3 and 1). Respondents relied heavily on veterans for information on how jobs should be performed or problems solved. One referred to his predecessor as "a storehouse of information about the [budgeting] process . . . who and where to call for information, and

how to do things." Four were taught by veterans how to conduct budget hearings. Others said that predecessors' work plans were a model for estimating their work in the coming year.

NSC memory was more sketchy and narrow. Most was descriptive policy (cell 4) and prescriptive procedural memory (cell 1). All eight respondents either talked with predecessors or read records about past policy decisions. They used the information to get "up to speed," but then set it aside. Procedural memory centered on how to handle secret documents, and members relied on secretaries to know the rules.

Thus OMB staffers pass on substantial amounts of all four types of organizational memory. CEQ memory emphasizes norms about the agency's preferred policy position and procedural matters and descriptive knowledge of prior methods used to achieve policy goals, with little awareness of particular goals of past policy. NSC memory contains the least information, most of it about the background of current policy issues.

LEARNING AND IDENTITY

Memory is evident in two agency features: (1) a learning capability enabling members to adjust behavior in response to others' experience, and (2) an identity enabling members to maintain behavior despite changes in personnel and presidents. If the respondents used veterans or records for information, they were considered to exhibit a learning capability. If they expressed a "forward-looking" attitude, ignoring or not using their agency's or predecessor's past, then a learning capability was not shown. OMB showed the best indications of learning. Nine respondents learned from veterans about procedural matters (like conducting hearings or making apportionments) or policy issues, crediting veterans or records with providing the substantive background needed to make decisions. For instance, one said that work by past members gave him "a base for analysis." Moreover, incrementalism as a decision rule assumes current decisions are based on past decisions (Lindblom, 1959). Hence studies showing that examiners use an incremental decision rule (Wildavsky, 1979; Schick, 1970) also show OMB manifesting a learning capability.

CEQ staffers show little evidence of basing current policy decisions on experience of past or veteran members. In fact, several said that they did not want to know what predecessors had done, for it

might "constrain" them or put them "in the shadow" of another. Still, some used others' information about past procedures in order to carry out current tasks, so the CEQ learned in terms of procedural (but not policy) memory.

NSC staffers gave the least evidence of learning, relying instead on personal knowledge to make choices and to solve problems. As a Nixon staffer said, "When you start out, rather than joining a staff that's already been functioning, there is a lot of trial and error, and self-starting, a lot of adjusting of interests, and so on.... There was a fair amount of experimentation.... I just started with what I thought [Kissinger] would want and need, and went from there." Only two respondents used predecessors as a basis for making decisions. Most tended to view the past as dead, largely irrelevant history. They used information to get up to date on policy issues but did not seem to use it thereafter as a guide to policy decisions. Consistent with findings on the extent of agency memories, then, OMB has the highest learning capability, NSC the lowest.

Of the three, CEQ seems to have the most detailed and entrenched identity. Several staffers said that knowledge of past CEQ achievements created an "esprit d'corps" and motivated current members to build on its tradition. This identity did not exist when CEQ was first created; but has since developed so that nine respondents said they would resist attempts to alter CEQ's identity and would resign rather than betray agency ideals. These beliefs have persisted over three administrations.

OMB's predecessor, the Bureau of the Budget (BOB) had a strong identity, a "traditional style . . . a body of doctrine, myth, and habit—a way of life" (Berman, 1979: 92). One reason for creating OMB was to weaken the "lore that surrounded the old Bureau of the Budget" (Berman, 1979: 112). The results have been mixed. A modified norm of neutral competence still seems to operate. Over half of the respondents felt they needed to be objective when analyzing budget requests and clearing legislation. The staff also felt able to aid any president, regardless of his policy goals. A five-year veteran knew of only one examiner who left OMB over a dispute with a president's policies. Still, willingness to become a partisan advocate of an individual president's policy initiatives has increased, damaging the agency's reputation for neutrality (Schick, 1975). Staff commitment to OMB has also declined. A BOB job was seen as a career

position (Heclo, 1975: 84), but many OMB staffers want to move on (Schick, 1975: 13). Most respondents intended to stay only 3-5 years in order to acquire skills, make contacts, and develop a prestigious entry for their resumes. As one staffer said, "OMB is a great place to be *from*!" Although OMB staffers still acquire some values central to BOB's identity, they are more responsive to presidents and less committed to OMB. Thus OMB's internally generated identity has been weakened, increasing its susceptibility to presidents.

NSC does not appear to have an identity defined by values generated and transmitted through the staff. Staffers from different administrations generally agree on their roles, but that consensus is due to the uniformity in the expectations expressed by different presidents. Only one staffer credited veterans with helping him learn his "proper" role. Contacts usually transmitted only factual information. The predominance of each president's personal goals and the loyalty required of the staff precluded transmission of other values between administrations.

CONCLUSIONS

I have compared three EOP agencies in order to account for differences in organizational memory development. Presidential interest in an agency appears to create factors that disrupt memory, although extrapresidential responsibility encourages features that facilitate it. This suggests a disturbing irony: Because presidential involvement indicates an agency's importance, the agencies that are most important to presidents (and by implication, to the nation) are least able to provide the continuity and accumulated wisdom engendered by organizational memory.

Some might assert value in this lack of memory. Presidents need and deserve the freedom to design their own systems of advice and operation, and to pursue their own policy objectives. Memories stifle this innovative impulse. However, presidents also need systems that can learn from the past. They need resources that enable them to address "the two great modern problems—the need for coherence of policy to deal with the complexity of specialized departmental programs, and the need for continuity of policy to give government

the capacity to think ahead and pursue its goals steadily" (Price, 1980: 10). The difficulty lies in meeting both needs at once.

Because permanent responsibilities aid memory, should duties such as budget preparation, report publication, and policy advocacy be required of EOP agencies to enhance their ability to recall their pasts? If the presidency should be staffed only by agencies for matters of primary concern to the president, then this probably would not improve the EOP. When external duties are imposed, an agency's usefulness to the president is reduced, and the office becomes unwieldy (Helmer, 1980). Hence agencies that serve extrapresidential functions should be removed from the presidency.

One way to reduce disruptions across administrations and thus to improve EOP memories might be a return to the original view of the EOP as agencies staffed (with the exception of the White House itself) by career professionals. Staffers would see their jobs as long-term commitments and would not leave when presidents change. The old BOB is the best example of such an agency, the most important features of which is its adherence to the norm of neutral competence (Heclo, 1975). But personalized staffs tend to be more responsive to individual presidents, so no president is likely to give up control over agencies important to him. Thus some other (compromise) arrangements must be developed for EOP agencies. The alterations that made BOB into OMB are one possibility. Forced to use a career staff, Nixon appointed directors (PADs) to atune careerists in OMB to his own political interests. Several OMB respondents said that the PADs helped them know the president's goals yet did not reduce their objectivity or neutrality, and thus their ability to serve successive presidents.

By removing nonpresidential functions and agencies from the EOP to create smaller, career-oriented staffs, presidents are more likely to acquire the experience and accumulated wisdom that observers argue to be lacking, yet needed for an effective presidency.

NOTES

1. See Pious (1979: 160) on the OMB; Destler (1979: 118) and Solliday (1975: 44) on the NSC; and Gilmour (1975: 149) and Emmerich (1971: 199) on the Domestic Council.

2. It is beyond the scope of this article to go further, and attempt to demonstrate the effects of organizational memory upon an agency's ability to help a president learn about the office of the presidency. Because part of the reason for creating some EOP agencies rests upon the validity of that link, ascertaining its validity is certainly an important topic for future research. This article, however, is limited to identifying the reasons for the presence or absence of an important precondition to learning—memory within the agency.

3. Based on a preliminary survey of the EOP, these three agencies were selected because they appeared to represent three basic types of agencies. The NSC staff works closely with the president, responding to his personal demands and expectations. Its structure, operation, and agenda are determined by each president's political goals and interests. The OMB's budget examiners are not involved in the president's personal political affairs. They take a more institutional perspective, working for the presidency, performing the same functions and providing the same type of assistance to successive presidents. Their operation and agenda are largely determined by institutionalized responsibilities and expectations that are constant from one administration to the next. The CEQ staff is intended to give the president expert advice. They have no partisan role, and tend to be peripheral to the president's interests. They are less constrained by the expectations of individual presidents or by expectations that have been institutionalized over time. These differences in agencies were expected to produce differences in the variables affecting the likelihood of organizational memory development. This research is based on interviews and secondary materials. Interviews were conducted with past and present staffers: ten from CEQ, ten from OMB, and eight from NSC. Personnel officers of other EOP agencies and informed observers were also interviewed, for a total of 46 interviews. The research focuses primarily on the period from 1969 to 1979. NSC and CEQ respondents were selected by recommendations from authorities on those agencies. Budget examiners were chosen at random. The distribution and agreement of responses with one another and secondary materials cited in the references show a high degree of reliability. The interview schedule consisted of open-ended questions permitting respondents to answer as they saw fit, ensuring uniform coverage of important topics. All respondents were assured of anonymity.

4. For an extended justification of these variables as determinants of organizational memory, see Cary Covington (1981: Chap. 2).

5. These are based on staff rosters published in CEQ's Annual Report.

6. These are based on three staff lists from the Nixon administration (September 1969, August 1970, and April 1971) and three staff lists from the Carter administration (April 1977, October 1977, and October 1979).

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Public policies are raw resources. They can be put to practical use in ways that offend those who initially created them. Policy research sometimes takes the perspective of the offended without giving due regard to the perspective of the offenders. The conceptual and practical limitations of such an approach are illustrated in this article. The contextual example concerns policy research on the so-called chilling and addiction problems of collective bargaining in the public sector. The general point is simply that what is misuse to some (in the example, overuse) is quite proper to others. Policy researchers, in their eagerness to produce "relevant" studies on policies believed to have gone astray, frequently dismiss or ignore the situationally specific uses to which public policies are put. A social action perspective toward policy science is suggested in this article as a partial counterbalance to such research oversights.

WHERE POLICY STUDIES GO WRONG
Reflections on the Meaning and Use of Collective Bargaining Procedures in the Public Sector

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Social problems are conventionalized labels applied by some members of cultural units (governments, organizations, occupations, regions, tribes, clubs, schools, families, etc.) to refer to behavior on the part of others they consider untoward and undesirable. Policies directed toward such behavior have the intention of changing it. If, for example, citizens behaved as governments wished or if citizens

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could obtain what they desired without aid, public policies would be unnecessary. This is to say, sociologically, that public problems and the policies thought to be responsive to them are cultural products shaped in large measure by those who are able to label behavior as desirable or undesirable and are able to back up such claims with authority of both a formal and a substantive kind.[1] As certain forms of behavior become conventionalized by public discourse as a problem, an illusion of imminence grows around such behavior and its meaning becomes restricted. This article is directed to policy researchers who, in our view, often allow conventional meanings to pass without comment by conducting studies on problems defined largely by policymakers.

An apt display of such complicity is provided by Gusfield's (1981) analysis of the "culture of public problems." The particular problem of his attention is the drunk driver, an object of some scorn and much concern in this society. The drunk driver is, according to Gusfield, a symbol of menace built from and maintained by the conceptual and linguistic categories that surround its use (e.g., traffic accidents, blood alcohol levels, 502s, prom nights, heedless killers). Such semantic categories owe much of their presence and maintenance to the social organization that makes the "menace" visible (e.g., the National Safety Council, the police, the courts, TV news, official record keeping).

The crucial implication of Gusfield's carefully detailed work is that the restricted meaning system within which the drunk driver operates is generated by the very social practices designed to identify and contain the menace. Research that does not question or at least suspend belief in the Drunk-Driver-as-Menace formula merely contributes to these social practices (and their refinement), thus keeping attention directed toward the object of such practices rather than the practices that bring the object into view. At present, a loose association of policymakers, policy researchers, administrators, and enforcers initiate governmental action aimed at individual drunk drivers rather than actions aimed at perhaps more relevant targets

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such as road builders, alcohol distributors, barkeepers, or automobile manufacturers. The unsafe driver is the master metaphor organizing policy in the area, not the unsafe car, the unsafe road, or the unsafe drinking institutions.

Such irony must not be lost. Very little policy research displays much concern for matters of problem definition or, more crucially, how policy itself supports a given definition. Once a problem has been named and a policy formulated, research begins in earnest as "policy scientists" enter the picture willing, eager, and prepared to judge the performance of the policy in its remedial mission. At best, such work yields indicators of a link between policy and outcome; at worst, no such linkage is detected.

This view of policy research is familiar. It applies to research programs (in the standard policy evaluation mode) that fail to examine how policies are implemented (Beyer et al., 1982). The telling poing from the implementation perspective is that policy is always situationally relevant. Policy becomes operational only on the ground level where uneven, inconsistent, and occasionally sharply divergent practices are to be expected (Corwin and Louis, 1982; Elmore, 1978; Pressman and Wildavsky, 1972).

We are quite sympathetic with this view. What is missing, however, is a consideration of how the research community itself helps sustain a given problem definition. Both the traditional, outcome-oriented studies and more recent, process-oriented studies typically take for granted the definition of a particular problem as held by policymakers. Neither approach examines the ironic ways research itself supports conventional definitions of a problem. To do so requires rethinking the research practices associated with policy study.

SOCIAL PRACTICES AND PUBLIC POLICY

We believe an analytic strategy for dealing with some of the ironies of policy research is to focus on observed activity first and then seek out the various social practices that contribute to such activity. Policy can then be inductively (and empirically) linked to a given behavioral (and cultural) system. The idea is to work backwards from an observed consequence to the set of activities that generate such a

consequence. The approach forces the analyst to look away from public pronouncements of policy to the social practices of persons struggling to find applications for such policy. Several rather crucial assumptions are involved in such an approach.

First, to study social practices like strikes, promotions, grievances, dismissals, production rates, and so forth necessitates coming to terms with the various codes that translate these practices into meaningful events (or rituals) for those within particular organizations. A call for a strike issued by members of a public sector union is, for example, essentially arbitrary in its meaning until a specific code is applied such that it can be seen as an illegal job action by top officials, a symbolic cry for public support by sympathetic outsiders, or an unavoidable consequence of organizational mismanagement by union members. To study a given social practice is also to study the various codes that give meaning to such a practice.

Second, the codes that provide meaning to behavior are cultural products and are not reducible to psychological states such as individual beliefs, values, or emotions. By "cultural" we mean simply that the codes are public, learned, shared, and deal with behavior that can be labeled proper or improper within a given context. There is, of course, nothing natural or necessarily timeless about such codes; they are shifting, negotiable, and often problematic to both the user and the outside observer. As we shall see, however, policy research often serves to give legitimacy to some codes over others, thus freezing the meaning of a particular social practice at the expense of other possible meanings.

Third, the degree to which such codes are made use of by members of a group or organization is variable. The same practices may be read by different members in similar or dissimilar ways. The interests of members may form around age, education, hierarchical level, residence, status, family concerns, social backgrounds, legal vulnerabilities, career possibilities, past experiences, leisure pursuits, and so on. To the degree such interests coalesce, segments or factions become visible and the ensuing conflict among segments reveals how a given practice or behavior is to be read.

Fourth, coding schemes developed for social practices by those not directly involved in their performance are unlikely to match the various schemes developed by those so involved. To select strikes or productivity as the "problem" of interest is to select from alternatives.

Such selection is always based on a special (motivated) sensitivity as to what is and what is not important. It is also to align oneself with particular segments or factions (Van Maanen, 1981). To impose meaning on such practices follows the same course. Strikes can be read as an index of mismanagement or as an index of willful deviance depending on whose code is being utilized. Both policy formulation and policy research are guided by such readings.

All this is to suggest that if one chooses to study public policy from a social practice perspective of users rather than a social problem perspective of policymakers, great care must be exercised when defining the behavior of concern. Equal care must be taken in pointing to whose definition or codes are to be utilized in such a study. Finally, conflict over such definition must be expected even though the origins and implications of such conflict may be hidden by reconstructed histories. One must always keep in mind that meanings are motivated and are tied to the activities of people. They are most certainly not neutral.[2]

Policy research concerning dispute resolution in the public sector provides a convenient example in this regard. It is necessarily an elaborate example because the points we have made rather breathlessly in this brief introduction require a closely described and empirically detailed illustration if they are to have force. In what follows, we argue that the public problems many researchers attribute to the presence of certain dispute settlement policies covering public sector organizations are artifacts of a particular definition of the problem, a definition that has been unquestioned and, hence, supported directly and indirectly by policy-guided research. Second, we argue that continued discussion of such problems serves as an indicator of an impoverished model of collective bargaining rather than a policy failure.

THE FRAMING OF A POLICY PROBLEM

The granting of bargaining rights to employees in the United States has occurred painfully, slowly, and with much attention to the role the strike plays in labor-management relations (Bok and Dunlop, 1970). Although the right to strike is now thought to be an integral part of collective bargaining in the private sector, govern-

ment policymakers and their advisors believe that the adverse consequences of a public employee strike (normally discussed in terms of its potential effect on service delivery and public safety) must be avoided to protect the public good (Taylor, 1948). Legislative bodies have enacted dispute resolution procedures that, taken together, are to serve as substitutes for a strike (Stevens, 1966; Taylor, 1967).

Dispute resolution procedures typically include provisions for mediation, fact finding, and some form of binding arbitration. Like their private sector counterparts, negotiating parties in the public sector may use (or be required to use) the services of a mediator to help them resolve any bargaining impasse that exists between them. A mediator, however, has no formal authority to resolve a dispute and serves primarily to facilitate the resolution process. In the private sector, except in disputes of national emergency, mediation is the only form of third-party assistance available. Public sector disputants, if they fail to reach agreement in mediation, can secure the services of a fact finder. The fact finder may operate like a mediator or run a more adjudicatory process. But whatever the approach, fact finders provide a formal recommendation as to the terms of the contractual agreement. The recommendations are not binding. If the parties are still at impasse, an arbitrator (arbitral panel or other variant of the executive/legislative court of last resort) has the final and binding say on a contract's provisions.

A similar approach to dispute resolution existed in this country during World War II and the Korean war. The approach was developed and administered by a War Labor Board staffed by a rather reknowned group of labor relations scholars and practitioners. The procedures developed by the War Board (like those currently in use in the public sector) have as their objective "strike deterrence." Conventional wisdom holds that the provision of mediation and arbitral services during the wars diminished strike activity. However, some War Labor Board members suggested that the presence of official dispute resolution procedures also had troubling side effects. One of the original War Board's most prominent members, Willard Wirtz (1963: 303), argued,

> Experience, particularly during the War Labor Board years of the '40s, shows that a statutory requirement that labor disputes be submitted to

> arbitration has a narcotic effect on private bargainers, that they turn to it as an easy and habit-forming release from the obligations of hard, responsible bargaining.

Flowing from this so-called narcotic effect, other "public problems" were readily identified. First, there were costs associated with procedures. Both time and money were involved in seeing to it that procedures allowed by law were available to parties claiming need of them. Second, participants in and close observers of labor-management disputes were convinced that each instance of collective bargaining was, in some sense, unique. Outsiders, it was felt, did not fully appreciate the situational particulars of each case (Cox, 1960; Taylor, 1948). Third, and perhaps most important, cultural values were seen to be compromised through the use of the wartime procedures. Reliance on arbitration and third parties in general meant that decision making over the terms and conditions of labor contracts was being taken away from the involved parties and given over to outsiders. Such a transformation ran counter to accepted beliefs about the proper form and structure of collective bargaining. Voluntaristic collective bargaining, a process conducted without governmental interference, was (and is) a cherished societal value held in high regard by most practitioners and scholars within the labor relations community (Dunlop, 1958).

The form of public sector bargaining now in use in the United States mirrors the practices that emerged during the War Labor Board years. As was true in the 1940s, bargaining statutes and the procedures contained within them are to deter strikes by performing strikelike functions. But, as before, those designing the procedures believe the process works effectively only if the procedures themselves are used sparingly. This belief has been elevated to a criterion of policy success. Consider the remarks of Long and Feuille (1974: 202):

> The overriding purpose of the final-offer procedure (arbitration), however, is to induce the parties to make their own compromises by posing potentially severe costs if they do not agree. In other words, a successful final offer procedure is one that is not used; one that induces direct agreement during the proceedings or, using a less rigorous definition of success, one that substantially narrows the areas of disagreement.

Empirical work suggests that impasse procedures, particularly arbitration, do in fact deter strikes (Ichniowski, 1982; Kochan, 1980; Wheeler, 1975). How such deterrence operates and whether or not it operates with a minimum of intervention is, however, a subject still open to question. This is not for lack of effort. Over the past ten years, some 40 to 50 studies have been undertaken to assess the effect of impasse procedures on collective bargaining. Effect in these studies is almost always defined in terms of whether or not the procedures foster "chilling" and "addiction."

The notion of "chilling" refers to the purported tendency of negotiating parties to refrain from serious bilateral bargaining by "dumping" their issues, both major and minor, onto the laps of third parties (Long and Feuille, 1974; Northrup, 1966). Often, the simple fact that the parties declare an impasse and make use of the arbitration procedures is taken as a sign that chilling has occurred.[3] Another measure for chilling is found in studies of concessionary behavior where gaps between union and management positions are examined at various bargaining junctures. The greater the gaps, coupled with the longer such gaps persist, the greater the chilling.[4] The sum result of these studies, regardless of measurement technique, is the documentation of considerable chilling, and this is, again, seen as a problem.

"Addiction" refers to the degree to which chilling occurs over successive bargaining rounds. In terms of suggesting a clear and present danger, addiction research has been less successful than that devoted to chilling. For example, in studies in which addiction is measured by the reuse of impasse procedures by the same parties (the most appropriate measure), the findings are mixed.[5] Gallagher and Pegnetter (1979) report a minimum addiction. Anderson and Kochan (1977) are unable to detect a pattern based solely on the existence of a law. Olson (1979) finds addiction only if the parties fared well previously. And Kochan and Baderschneider (1978) report much addiction.

The point here is merely that after a decade of research designed explicitly to be policy relevant, the problems as defined by policy-makers and as addressed by researchers are still with us, and there seems to be little agreement as to what might be done. Predictably, some researchers argue that definitive assessment can come only by more intensive investigation. Calls are made therefore for more cross-

jurisdictional studies, the use of more sophisticated research techniques, the application of tighter study designs, and, in general, bigger samples.

We think the matter is more basic. In particular, we believe the problem as captured and conveyed by the use of the twin metaphors "chilling" and "addiction" (imported from another setting and historical period) so dominates the way impasse policy is thought about and studied that other interpretations for what is occurring have scant opportunity to surface. If we shift the framework from one concerned with the frequencies with which impasse procedures are used to a framework concerned with how such procedures are used, something of a different problem emerges. This point can best be illustrated by revealing what we do know about the use of impasse procedures.

ON THE USE OF IMPASSE PROCEDURES[6]

The argument that voluntaristic or free collective bargaining is somehow impaired when parties frequently use existing procedures assumes that users contrast their behavior with that of private sector colleagues. For the most part, such contrasts are seldom made because bargainers in the public sector know only one context: their own (Kolb, 1981). In the public sector, for example, fact finding has always been a part of the bargaining process, and arbitration has usually been a part as well. Parties to public sector negotiations are introduced to collective bargaining and learn to negotiate within a setting where impasse procedures are as much a natural part of bargaining as the strike and its threat are to parties involved in the private sector. Moreover, it would appear that even if public sector bargainers were to compare their situation to that of the private sphere, it is the private sector that would be found wanting. "If compulsory arbitration ennervates the bargaining process," says Arvid Anderson (1969: 278), a noted public sector negotiator, "it is because parties want it that way, preferring the fact of settlement to some abstract principle of free collective bargaining."

For the most obvious of reasons, then, parties to public sector disputes use the statutory provisions available to them to assist in

arriving at a settlement. They do not see their use as a regrettable departure from some ideal version of how collective bargaining should be properly conducted. The use of impasse procedures is, in this sense, both natural and in line with the basic policy ends the procedures were designed to serve. It is the only form of dispute settlement most participants in the public sector know.

It is also true, however, that negotiators in the public sector use impasse procedures for reasons that go beyond those officially recognized. This is not startling news because anecdotal asides in various quantitative studies (e.g., Kochan et al., 1979) as well as the quasi-ethnographic descriptions supplied in the available case studies of public sector bargaining (e.g., Grodin, 1974; Stern et al., 1975) make it clear that negotiators work many agendas, some explicit and some hidden. What is news is the way such usage is coming to shape public sector bargaining, a transformation, we would argue, displaying a good deal of creativity and for the most part serving ends of value to the parties in dispute. Consider the following four well-documented uses.

(1) Setting Monetary Patterns. Pattern setting and pattern following are salient features of wage negotiations in both private and public sectors (Bourdon, 1979; Stern et al., 1975). What has been overlooked is the role third parties play. In the public sector, collecting (sometimes fabricating) monetary patterns and making them known to parties in a dispute is a frequent activity performed by third parties. Public sector mediators whose caseload is composed of similar occupational groups in contiguous communities openly discuss and share comparative wage rates and contract provisions with disputants, thus encouraging settlements that conform to these so-called patterns (Kolb, 1983a, 1983b). In fact finding and arbitration, these intercommunity contrasts are more formal and are sometimes prescribed by law. Given that third parties may be expected to apply such "objective" criteria, it is not surprising that negotiators look to impasse procedures for what they might consider favorable settlements. Such procedures may also provide a means of establishing a pattern where none may exist. Kochan and Baderschneider (1978: 442) describe just such a strategy.

> [His] basic strategy has been to proceed to factfinding without making any compromises in an effort to obtain a favorable factfinder

> recommendation to use in whipsawing the other municipalities in the region into comparable settlements.

Whether or not such "whipsawing" is regarded as desirable from a policy perspective is obviously a matter of uncertain judgment. But what is certain is that such a strategy does serve to assist negotiators in performing their tasks. What is serviceable is used.

(2) Justifying Politically Risky Settlements. The political character of public sector bargaining grows from the fact that elected officials bear more than a little public accountability for the settlements they or their proxies negotiate. Their ability to retain office is related, in part, to their performance in collective bargaining as expressed in terms of the cost of negotiated settlements (Aaron et al., 1979). Mediator recommendations, fact-finder reports, and arbitral awards are all used by public officials (including union leaders) as means to legitimize particular settlements (Bowers, 1974; Kochan et al., 1979; McCormick, 1976). By so doing, public officials are able to disclaim some of the personal responsibility they shoulder for a given contract. The severe "addiction" problem found in a number of large, financially troubled cities may well reflect this very phenomenon (Kochan et al., 1979; Wheeler, 1975; Stern et al., 1975). In several cities in Michigan, for example, public officials felt the political costs of voluntary agreements entailing increased labor costs and substantial layoffs were too high. Arbitration was seen as a way out of the fix.

> City management is forced to go to arbitration in order to be able to defend its settlement as having been forced upon it. Given such parameters, it appears likely that any procedure of statutory arbitration would be used, no matter how risky or unpalatable the procedure might appear [Rehmus, 1975: 62].

So too in Oregon, where the granting of a union shop, a concession that management had already agreed to in principle, became a provision both sides felt would be accepted more readily by the public if it came by way of arbitral award (Long and Feuille, 1974). In sum, the use of impasse procedures may often be based not on an inability to resolve differences but on the calculated assessment of the political costs and benefits of a particular settlement package.

(3) Helping the Pro. Professional negotiators, by dint of their experience across a range of disputes, are presumed by most observers on the industrial relations scene to have a better sense of a viable or "realistic" settlement than do the committee members or constituents they represent. According to the much-read text by Walton and McKersie (1965), the most difficult and intricate task labor negotiators face in collective bargaining is to convince the membership of the committees they represent to lower (or raise) their aspirations. To the degree that mediators, fact finders, and arbitrators provide information to committee members about the "reasonableness" of a given committee's position, they assist negotiators in their efforts to influence their committees.

In mediation, prearranged and spontaneous pronouncements from the "mouth of the neutral" often reflect arguments already made by negotiators to their committees, and therefore such words lend further credibility to the negotiator's position (Kolb, 1981, 1983a). Fact finder's reports and informal indications from an arbitrator are no doubt even more convincing. Long and Feuille (1974) report that tentative indications about the form of the arbitral award often provide union negotiators the ammunition they need to move their committees to settlements prior to an award. Staffers in the governor's office in Nevada helped negotiators by leaking information about the governor's likely decision (Grodin, 1974). And on the basis of her study in New York City, McCormick (1976) concluded that one of the major functions of arbitration was to assist professional negotiators in managing and controlling the committees they represented.

(4) Feathering the Nest. Bluntly put, self-interest is sometimes at work when impasse procedures are used because negotiators earn their fees in proportion to the time they spend on their cases. Indeed, one of the more consistent findings in the research literature is the heavy use of impasse procedures when experienced, professional negotiators are involved in disputes (Kochan and Baderschneider, 1978; Stern et al., 1975). Fee schedules provide incentives for negotiators involved in lengthy disputes. Heavy use of formal procedures is also generated in part by the complexity of statutory regulation such that experienced negotiators are more or less required by committees unfamiliar with the technicalities of public

sector bargaining. Professional negotiators, when taking on many cases, make use of the available procedures as a way of justifying their presence to the committees they represent.

CHILLING AND ADDICTION RECONSIDERED

What emerges from this all too brief glance at some of the social practices surrounding public sector bargaining is a process rather different than that suggested by the chilling and addiction framework. A hybrid process has emerged in many parts of the public sector wherein negotiators use impasse procedures selectively to accomplish strategic objectives as yet unrecognized (at least, formally) by policymakers. Setting aside for the moment whether or not such practices are in the best interest of the parties involved in a dispute, two features internal to the hybrid process itself must be considered.

First, a good deal of evidence contained in the various bargaining studies mentioned above demonstrate that as arbitration deadlines near, bargaining among the parties to a dispute becomes more serious and intent. Moreover, statistics comparing the number of arbitration filings with the number of actual arbitral awards show that between one-third and one-half of the disputes are settled in the time between a filing and an award (Feuille, 1975). If, as seems likely, some awards are merely official stamps for what are essentially bilateral agreements, the number of negotiated settlements may be much greater. In this light, it is the concession timetable that is sensitive to impasse procedures. Settlement patterns, or the parties' intention to engage in the give and take of collective bargaining, may be affected very little by such procedures.

Second, impasse procedures appear to have spawned a good deal more mediation activity than formal records indicate. To the degree negotiators look toward third parties for support, fact finding and arbitration may be converted into mediation forums. In states where mediation and arbitration are combined (called "med-arb"), mediation tends to dominate the process (Rehmus, 1975). More generally, arbitrators, no matter where they practice their craft, are never prohibited from mediating. For example, Stern (1975) suggests that in Wisconsin, experienced arbitrators almost always attempt to

mediate a dispute before they arbitrate, and according to his report, they are often successful in achieving a mediated settlement. Consider too that those fact finders and arbitrators who mediate as a matter of custom and preference use information widely shared by many negotiators (Kolb, 1983b). For a number of reasons, mediation is on the rise and appears to be a form of third-party intervention not very far from the ideals of voluntaristic, bilateral bargaining.

What these largely unforeseen consequences mean in terms of public policies surrounding collective bargaining is, of course, a matter of some conjecture. But considered in light of the policy recommendations based on the chilling and addiction perspective, some worrisome issues arise because such advice is aimed at minimizing the use of impasse procedures.[7] One difficulty with such recommendations is their near tautological character given that they are derived directly from the way the problem is framed (that it is undesirable for parties to a dispute to use third-party mechanisms in resolving the matter). More to the point, however, such recommendations are intended to solve a problem more illusory than real.

Specifically, policy recommendations oriented to the legal character of collective bargaining or to the formal access negotiating parties have to settlement procedures have very little to do with most of the bargaining practices discussed in this article. Procedures of whatever type will still stand as resources of potential use to parties in dispute. Professional negotiators will still be concerned about their fees. Timetables will still be subject to the norms (and whims) of disputants. Mediators, fact finders, and arbitrators will still offer words and deeds that negotiators can use to enhance their position and influence vis-à-vis their committees. And political authorities will still seek ways to protect themselves from public disapproval when contracts are negotiated.

Chilling and addiction as metaphors guiding research in the area foster a misguided and value-laden perception that something is seriously amiss when negotiators make frequent use of officially mandated impasse procedures. This is unfortunate because it suggests that the spirit and intent of collective bargaining policies are being violated or subverted. Lengthened timetables and added mediation forums, although surely having costs, are not necessarily harmful to the dispute settlement process as seen by the parties involved. Strikes in the public sector are rare, and even though

impasse procedures are frequently used, their use serves thoughtful and strategic purposes rather than blind and merely reflexive or "habituated" ones.

Our perspective has broader implications as well, for we believe that only by broadening the definition of policy outcomes to include the internal dynamics or social practices of the studied population does it become possible to make policy recommendations targeted to actual behavior of participants in the system of interest. For instance, one of the ways impasse procedures are used by negotiators is to secure support in their efforts to convince bargaining committee members to make certain concessions. Negotiators rely on fact finding and arbitration in addition to mediation as persuasive aids. Were mediators trained to provide more of this support (as is the case with private sector mediators), bargaining timetables might be altered and earlier settlements achieved with less cost, both social and material. Helping negotiators deal with their committees is an important facet of the collective bargaining process, but it is a facet all but ignored by many public sector mediators (Kolb, 1983b).

Put in other terms, policy research of the sort represented by the study of chilling and addiction keeps its distance from the social actors who are directly involved in the system under investigation. An alternative approach to policy research would reduce the distance between investigator and investigated (Fay, 1975; Rein and Schon, 1977). This more proximate approach begins by seeking a description of how the investigated interpret and understand their own behavior. Any outsider who observes labor negotiators soon learns, for example, that negotiators who have not previously met and who are of different ages, regions, or social and educational backgrounds can converse over a wide range of topics not understandable to an outsider. Such is the manifestation of a shared culture. A description of the knowledge necessary to understand a particular segment of this interaction would represent a partial description of the culture. These data are important because, as discussed in the introduction, the commonsense meanings made use of by actors in the social system under study represent the grounds on which they take action.

Policy research is, in our view, interpretive work to the core. Framing a problem prefigures both policy and research. Such frames, typically taken for granted by lawmakers and researchers alike, are not in the nature of reality but are matters of choice. In this light, we

are impressed by a number of fine studies of the policy formulation process (e.g., Edwards, 1979; Horowitz, 1981; Piven and Cloward, 1971). Policy formulation is indeed exciting to study; it involves new ideas, political conflict, maneuvering among powerful and even glamorous characters, and deals straight away with the dramatic symbols of contemporary social life. By comparison, to study the subtle thrashing-out processes that stand between formal policies and their results is inherently less exciting and seductive and is far more tedious because, as we argue, it must involve the lengthy study of ordinary people going about their everyday, often humdrum tasks. Yet, however demanding and time consuming such work may be, it is required if policy research is to move beyond the denotative and usually unrevealing accounting for the fate of the formulated policies. Such work is necessary as well if we are ever to learn how certain social purposes are met, transformed, and reconstituted by resourceful individuals and groups within society. Given the current, seemingly massive disenchantment regarding the ability of our public institutions to achieve what they claim to be about, such work may also be of some urgency.

NOTES

1. As suggested throughout this article, we do not see much justification in defining public policies solely in terms of their intentions. Use must also figure in. A sensitizing definition for public policy is offered here: the use of resources (money, time, people, products, procedures, institutions, etc.) by a governmental body to intervene into the accustomed behavior of some people subject to its authority in order to produce more or less of that behavior. This definition, with all its flaws, at least suggests that policy is necessitated by both resource scarcity and by social values. More to the point, however, is the fact that whether the intent of a policy is to create more productivity, less bribery of public officials, more conservation of timberland, or less fertility, the resources brought into play to accomplish such objectives must be considered a policy outcome as well as whatever effects may or may not follow.

2. This is a cornerstone for interpretive theorists in the social sciences. Rabinow and Sullivan (1979) present a good collection of readings that help unpack some of the implications—practical and theoretical—of this position. Old fashioned or not, we hold that not everything that can be fed into a computer or a regression equation is of analytic importance. The cult of quantitative researchers who have come into prominence in the labor relations field of late seems doomed to rediscover such lessons. We would not agree with Kochan (1980: 507), who feels that data collection and

quantitative analysis are to be preferred to participant observation, informed description, and broad generalization. Lumbering as these historical-institutional approaches may have been, they did not duck the interpretive questions.

3. There is something of a methodological "apples and oranges" problem with these studies because they often compare occupations that have access to arbitration (notably, police and firefighters) to those that do not and comparisons made across jurisdictions are based on different procedural variants (e.g., final offer arbitration versus conventional arbitration). Occupational and jurisdictional similarity are obviously of more than a little concern if the findings of these studies are to be taken at face value. But, alas, this is another story.

4. Methodological issues are raised in the "gapping" studies as well. For example, when Wheeler (1978) surveyed union and management representatives on the gaps between their respective positions at different times, he found that their responses did not agree. Although Wheeler offers a reasoned explanation for his decision to use the union's estimates in his analysis, his data must be challenged as to their validity. Kochan et al. (1979) provide another example when comparing firefighters and police disputes. Data from the firefighters indicated considerable concessionary behavior. Police, on the other hand, displayed no concessionary signs; in fact, the police appeared to inflate their position prior to fact finding and arbitration. In either case, chilling seems a poor indicator because such moves on the part of both parties suggest considerable (and strategic) maneuvering.

5. Such appropriate measures are not always to be found in the literature. Most studies simply use the percentage of disputants who make use of the impasse procedures in any given year as indicators of "addicted" parties. See, for example, Hines (1972), Stern (1974), Drotning and Lipsky (1977), and Lipsky and Barroci (1978).

6. The materials developed in this section and the one following are based on Kolb's ethnographic fieldwork with mediators in two organizational settings. The methods followed were largely those of the cultural or social anthropologist, participant observation, intensive interviewing of a few key informants, and the systematic investigation of official records (Kolb, 1983b; Van Maanen and Kolb, forthcoming). Secondary sources for the analysis in these sections are referenced in the text where appropriate. These secondary sources are of some concern for they are based on interviews conducted apart from and (typically) after the interviewees had made use of impasse procedures. Such accounts tend to emphasize the rational and tactical uses of procedures and, thus, as Lyman and Scott (1970) argue, underemphasize the unplanned, fitful, emergent character of decision making surrounding impasse proceedings.

7. To achieve such results, some authors merely recommend standardizing across jurisdictions the statutory procedures that appeared successful in the jurisdictions they studied (Galligher and Pegnetter, 1979; Grodin, 1974). Others argue for procedures that would more closely approximate the strike (Donn and Hirsch, 1980; Farber and Katz, 1979; Farber, 1981; Wheeler, 1978). The most ambitious recommendations are made by Kochan et al. (1979), whose "arsenal of weapons" approach blends a variety of procedures and calls for a more aggressive role to be played by the government in coming to terms with chilling and addiction. This approach is not without its ironies.

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Appreciation for irrational individual and organizational characteristics is fundamental to the ability to "enter" and comprehend the true significance of interpersonal and organizational behavior. Efforts to better comprehend human performance in complex bureaucratic organizations must acknowledge the impact of irrational psychological defensiveness on administrative behavior. The authors construct a conceptual model of psychological responses to stress in bureaucratic organizations in which they illustrate the dynamic, interactive relationship between stress, self-esteem, and psychological defenses aimed at alleviating anxiety, and the ability to act responsibly.

PSYCHOLOGICAL RESPONSES TO STRESS IN COMPLEX ORGANIZATIONS

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Human performance in complex organizations is often deficient in satisfying the presumption of rational administrative behavior intent on mission accomplishment. Administrative life is permeated by irrational psychologically defensive behavior that does not promote individual or organizational learning or effective work performance. Efforts to better comprehend human performance in complex bureaucratic organizations must acknowledge the impact of irrational psychological defensiveness on the generally accepted rational

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model of administrative behavior. The dynamic model presented here represents a bridge building effort to relate the processes of psychological defensiveness to individual performance. The dynamic nature of stress, self-esteem, and anxiety in producing psychological defensiveness results in predictable outcomes regarding the ability of organizational members to assume personal responsibility for their actions. In Figure 1 we furnish the participant-observer of these relationships with a cognitive map for interpreting personal and organizational stress.

STRESS AND ANXIETY IN A BUREAUCRATIC SYSTEM

Nearly everyone in our society has had the occasion to experience a bureaucratic organization. A preliminary analysis of such an encounter might lead one to conclude, as Max Weber did, that the organization has a rigorously divised hierarchical arrangement of authority relations and is staffed by professionals. These professionals perform highly specialized tasks encompassing volumes of detailed policies and procedures, while paying meticulous attention to documenting and recording all decisions and work (Weber, 1946). Further inspection might have also led an observer to conclude bureaucratic organizations perpetuate their existence by emphasizing impersonal norms, suppression of human feelings and ideas, and the logical outcomes of a rationally designed system of operation such as, control, efficiency, and predictability (Weber, 1946; Merton, 1940; Crozier, 1964; Argyris, 1957; and Hummel, 1977, 1982). Even closer scrutiny of the organization's performance might ultimately have led an observer to the conclusion bureaucracy is a rigid and uncompromising organization form. Although tending to provide its members with a predictable, impersonal, and hoped for anxiety-free work environment, the bureaucratic system sacrifices organizational adaptability and responsiveness to its operating environment. Further, although simultaneously relegating its clients to an alphanumeric existence, it appears to insist they conform to the perfectly planned and rational system the organization has developed to serve them (Hummel, 1977: 56). From a psychological point of view, it can

be argued the pervasiveness and persistence of bureaucracy is not the result of its superior performance as a rational model of organization. On the contrary, the bureaucratic structure is desirable for irrational purposes. It is an organizational form that is perpetuated by its members who are driven by their needs to avoid anxiety arising from unpredictable work related and interpersonal events (Diamond, 1984; DeBoard, 1978; Jaques, 1955; Menzies, 1970; Miller and Gwynne, 1972). Our purpose is to focus attention on what happens to organizations and their members when these compelling needs for a highly predictable and anxiety-free environment are frustrated by occurrences such as organizational cutbacks, decline and retrenchment, frequent changes in leadership, and reversals of policy direction and commitment.

THE NEED FOR SECURITY

Our conceptualization represents an adaptation of Karen Horney's theory of neurosis merged with Harry Stack Sullivan's interpersonal theory of psychiatry (Horney, 1950; Sullivan, 1953).[1] Our purpose is to illustrate the dynamic, interactive relationship that exists among stress, self-esteem,[2] psychological defenses aimed at alleviating anxiety,[3] and the ability to act responsibly. In Figure 1, we illustrate the significance of these needs for security and the use of psychological defenses in coping with stress and anxiety. The need to maintain a sense of personal security and safety when confronted with an anxiety-producing circumstance is a powerful motivator for physical and psychological action (Horney, 1950; Sullivan, 1953; May, 1977).

STRESS

Many organization analysts contend change is the only element of certainty that persists in the present climate of modern organizations. General conditions of stress intrude on complex organizations and their participants. Stress is an uncontrollable, unpredictable, ambiguous event resulting in "distress" (if only momentarily) relative to anyone's self-esteem (Kutash et al., 1980). Sources of stress may

include the following: conflict and rejection, interpersonal discord, alienation from self, demoralization (Kutash et al., 1980), disapproval (Sullivan, 1953), and hostility (Horney, 1950). In Figure 1, we depict a situation where stress exists.

Stress as we define it may originate from both external and internal events. Stress from the outside may arise when another individual or group interferes with a person's intentions (by manipulating financial or political resources) creating a sense of uncertainty: "will I be able to carry out my assignment?" Stress from the inside emerges, for example, when a phobia is operating (stage fright).

In Figure 1, we illuminate the energizing effect stress has as it acts on psychic energy embodied in self-esteem and in the unproductive use of this same energy in psychologically defensive processes. Referring to stress from the inside Horney (1950: 13) explains:

> Under inner stress, however, a person may become alienated from his real self. He will then shift the major part of his energies to the task of molding himself, by a rigid system of inner dictates, into a being of absolute perfection. For nothing short of godlike perfection can fulfill his idealized image of himself and satisfy his pride in the exalted attributes which (so he feels) he has, could have, or should have.

SELF-ESTEEM

Stress must be perceived to have an effect on individual experience and behavior (May, 1977). Individual propensities to perceive an event as stressful and to experience the stress as provoking normal (realistic) or neurotic anxiety are a function of that individual's sense of self-esteem.[2] Self-esteem, for our purposes, may be defined as self integration (ego integration) wherein self and world boundaries are known to exist and transactions across those boundaries can be regulated. A continuum for self-esteem is put forth in Figure 1. The continuum commences with adequate (high) self-esteem where a low propensity to experience life events as stressful exists. Should an event be experienced as stressful, normal anxiety is evoked and self-integration and intentionality are maintained. The center of the continuum represents an overall lower self-esteem. Life events are often experienced as stressful. The continuum concludes with low self-esteem where many life events are experienced as stressful, and

few boundaries exist to regulate events or encounters with others. Resultant feelings of being flooded with neurotic anxiety may require desperate action to avoid stressful events.

People with adequate (high) self-esteem, as Figure 1 illustrates, constructively confront uncertainty and ambiguity contained within the stressful event (Horney, 1950: 17; Sullivan, 1953: 308-10). Self-image is not threatened by what may or may not occur and "neurotic anxiety"[3] is not experienced. In contrast, the midpoint of the continuum represents the tendency to cope with the event by fragmenting or splitting the self-image. These defensive processes force identification with one of two extreme self-images: idealized or despised (Kohut, 1971; Horney, 1945, 1950; Van Den Daele, 1979, 1981). In effect, these psychological defenses lead to inappropriate and disproportionate (compulsive and exaggerated) responses to the event (May, 1977; Sullivan, 1953). The continuum concludes with repression of self and psychic energy. Every effort is made to withdraw from active living in order to avoid a world filled with many sources of stress.

ANXIETY

A dynamic relationship between the experience of normal (realistic) and neurotic anxiety and reliance on psychological defenses, along with an interactive relationship to the quality of one's self-esteem in bureaucratic organizations is displayed in Figure 1. The significance of these relationships is illustrated by the work of Karen Horney and Harry Stack Sullivan. Horney refers to "basic anxiety" in her discussion of the origins of anxiety. She describes the anxiety-fraught and anxiety-inducing environment of childhood in the following manner:

> The people in the environment are too wrapped up in their neuroses to be able to love the child, or even to conceive of him as the particular individual he is; their attitudes toward him are determined by their own neurotic needs and responses. In simple words, they may be dominating, overprotective, intimidating, irritable, overexacting, overindulgent, erratic, partial to other siblings, hypocritical, indifferent, etc. It is never a matter of just a single factor, but always the whole constellation that exerts the untoward influence on a child's growth.

> As a result, the child does not develop a feeling of belonging, of "we," but instead a profound insecurity and vague apprehensiveness, for which I use the term basic anxiety. It is his feeling of being isolated and helpless in a world conceived as potentially hostile. [Horney, 1950: 18]

Horney associates anxiety with the experience of a hostile environment (whether it be for a child or adult). Sullivan, in contrast, believes anxiety is associated with the threats of disapproval and withdrawal of tenderness. He writes that:

> Anxiety is a tension in opposition to the tension of needs and to action appropriate to their relief. It is in opposition to the tension of tenderness in the mothering one. It interferes with infantile behavioral sequences—that is, with the infants growing effectiveness in his communal existence with the physicochemical environment. It interferes, for example, with his sucking activity and doubtless with his swallowing. In fact, one may say flatly that anxiety opposes the satisfaction of needs. [Sullivan, 1953: 44]

Sullivan's (1953: 41) view is that the origins of anxiety reside in the primary relationship between the infant and mother. He describes an empathic linkage in which the baby senses the mother's anxiety at such an early stage of cognitive and emotional development that the baby lacks any defenses to protect itself from the "bad"feelings.

Sullivan and Horney, however, both view anxiety as a motivating force within personality. A motivational force that differs only in degree from one person to the next and, given the prevalence of anxiety as a central factor, influences one's life experiences with interpersonal relationships from infancy through adulthood.

In analyzing individual responses to stress in complex organizations, we distinguish between the experiences of "normal" and "neurotic" anxiety. For this crucial distinction we borrow from the works of psychoanalyst Rollo May (1977: 209), particularly his comprehensive text, *The Meaning of Anxiety.*

> Normal anxiety is that reaction which (1) is not disproportionate to the objective threat, (2) does not involve repression or other mechanisms of intrapsychic conflict, and, as a corrollary to the second point, (3) does not require neurotic defense mechanisms for its management. It (4) can be confronted constructively on the level of conscious awareness or can be relieved if the objective situation is altered.

May (1977: 214) further explains this distinction between neurotic and normal anxiety by pointing out with reference to "neurotic anxiety" that:

> The reaction is disproportionate to the objective danger because some intrapsychic conflict is involved. Thus the reaction is never disproportionate to the subjective threat.

Thus, May is in general agreement with Horney and Sullivan on the origins and manifestations of anxiety, and his distinction and definition of the concept of anxiety helps to illuminate the qualitative emotional and behavioral differences amongst individuals in their response to stressful events in complex organizations.

> Neurotic anxiety, therefore, is that which occurs when the incapacity for coping adequately with threats is not objective but subjective—i.e., is due not to objective weakness but to inner psychological patterns and conflicts which prevent the individual from using his powers. These conflicts generally have their genesis in the situations in early childhood, when the child was not able objectively to meet the problems of a threatening interpersonal situation. [May, 1977: 215]

It may be concluded that anxiety arises from the perception of life events as uncertain and unpredictable; life events that are experienced as a direct threat to existence and identity. It is for these reasons the experience of anxiety (either normal or neurotic) represents a powerful motivator for action. In the case of the intentionalistic response, action is taken to resolve the situation containing the stress, whereas, individuals defensively responding with fragmented and repressed self-images resolve the crisis by changing themselves (Kohut, 1971). The significance of anxiety in a bureaucratic organizational context is also clear. Sullivan (1953: 113) notes authority relations through midchildhood, the juvenile years, adolescence, and adulthood as critical interpersonal relationships between self and significant others that are often fraught with anxiety resulting from the threat of disapproval or the withdrawal of tenderness. He writes that:

> Anxiety, as a phenomenon of relatively adult life, can often be explained plausibly as anticipated unfavorable appraisal of one's current activity by someone whose opinion is significant.

Interpersonal relationships between superordinates and subordinates in bureaucratic organizations can become filled with stress. This is particularly true in those instances where a person emotionally invests himself or herself in seeking approval and recognition from a superior. It has been noted by many scholars of bureaucracy and organizational behavior that hierarchy encourages and often rewards dependency-oriented relationships, which by their very nature place in the hands of superordinates (the organization) the power to manipulate the presence or absence of anxiety in order to achieve compliance with organizational objectives (Argyris, 1957; Hummel, 1977, 1982; LaBier, 1983; Fromm, 1941; and Diamond, 1984). Sullivan (1953: 114) explains:

> Unless, for instance, I have very considerable and well-founded esteem for something that I do, another person's criticism of what I do, or even the suspicion that the other person feels critical toward me for what I do, is tantamount to my being anxious.

It may be concluded, dependency-oriented authority relations combined with the tendency of bureaucratic organizations to divide labor into detailed subdivisions and to stress functional specialization thereby alienating one's self from the product of one's labor, results in organization members being much more vulnerable to the experience of anxiety (Braverman, 1975; Ollman, 1976; Fromm, 1941; Hummel, 1977, 1982). Paradoxically one can expect people to experience many more instances where psychologically defensive behavior will occur that is contrary to the image of individuals assuming responsibility for their work and conduct.[4]

STRESS ON SELF-IMAGE AND PERSONAL RESPONSIBILITY

We may now interpret the outcome nuances depicting the dynamics of the interaction between stress, self-esteem, and anxiety. Given an event perceived by the subject as stressful, organizational participants with adequate (high) self-esteem will experience normal anxiety and can be expected to deal effectively and intentionally with the event. Generally, these people are capable of willful action based

on personal sets of values and standards. In such instances, the assumption of personal responsibility can be realized. It must be noted that the ability to retain intentionality and autonomy may well be incongruent with bureaucratic organizations that insist on top-down control for purposes of maintaining predictability, certainty, and the status quo (Diamond, 1984; Argyris and Schon, 1978). Such structural barriers to personal responsibility are often achieved by hierarchical manipulation of the presence or absence of stress and anxiety, along with organizational demands for uniformity and shared values amongst participants. Although many of us are able to maintain intentionality and personal responsibility relative to many life events, we normally have some psychological (aside from structural) limitations that may cause us to temporarily find ourselves at the midpoint (lower) of the self-esteem continuum located in Figure 1 (Horney, 1945, 1950; Sullivan, 1953, 1954; May, 1966, 1977). For example, people who experience considerable distress relative to a significant other (a mother perhaps) may find all contact with her stressful, leading to the experience of neurotic anxiety. As previously stated, neurotic anxiety fosters inappropriate and disproportionate responses to stress that emerge in psychologically defensive forms such as, "splitting" the self-image into two parts: idealized and despised (Kohut, 1971; Van Den Daele, 1981; Lerner, 1983; Horney, 1939, 1945, 1950).[5] In some instances, identification with an idealized image occurs leading to what Horney calls "expansive" solutions to anxiety. Compulsive reliance on one of three psychologically defensive tendencies—perfectionistic, arrogant-vindictive, or narcissistic—expresses an extraordinary desire to control events and contain feelings of neurotic anxiety (Horney, 1950). On the other hand, identification with the despised image of self leads to reliance on what Horney (1950) calls the "self-effacing" solution. And, at the low of the self-esteem continuum depicted in Figure 1, people respond to stressful circumstances by repression and withdrawal—what Horney refers to as the "resigned" solution (Horney, 1950; Van Den Daele, 1981). In our analysis of psychological responses to stress, the various types of "solutions" to or defenses against anxiety are ideal types from which we might notice tendencies within all of us. Although, it is often the case that particular people react to events (which they perceive as stressful) by favoring one defensive reaction over others. Both Sullivan and Horney contend that relative consistency exists

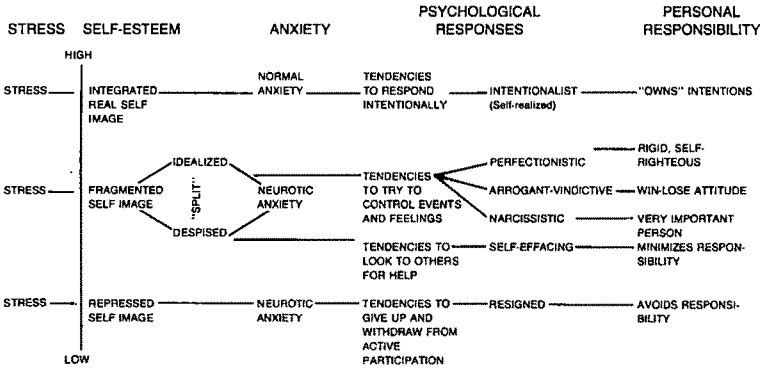


Figure 1: Psychological Responses to Stress in Complex Organizations

among the types of defensive patterns on which people come to rely, due to their history of relative success in reinforcing personal security beginning in early childhood experiences. In other words, we tend to rely on those defensive strategies that minimize anxiety. In the following section, we describe the various "ideal type" responses to stressful events and their impact on the assumption of personal responsibility.[6]

INTENTIONALIST

The intentionalist response illustrates one individual solution where disproportionate and inappropriate (neurotic) psychological defensiveness is not provoked by stress. People who rely on this tendency experience a genuine sense of self and self-esteem under stressful circumstances. We use the label "intentionalist" to describe people who maintain sufficient self (ego) integration under pressure so that their intentions, motives, and desires are consciously related to their actions. People in this mode of operation do not experience alienation or disconnectedness from the outcome of their labor or decision making, but rather, they experience a sense of mastery over

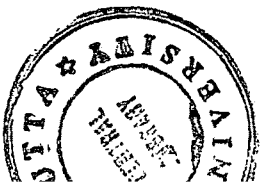
their work. The intentionalist type of work, as mentioned above, is contradictory to bureaucratic work norms (Merton, 1940; Hummel, 1982). Intentionalist tendencies may operate where organizational form and management style are subordinate to individual autonomy and relative independence. In other words, people acting in an intentionalist mode of response are not dependent on bureaucracy for personal security and avoidance of anxiety and, therefore, do not "need" to perpetuate a bureaucratic form of organization and control.

Intentionalist responses are productive under a wide assortment of conditions. Considerable initiative, flexibility, and innovation are characteristic traits at work. Further, people responding to stress with an intentionalist disposition are generally accepting of others and seldom impose demands on others to adopt their way of thinking and acting. An open, collaborative work setting is preferable, where conflict is not ignored or suppressed.

Intentionalist responses promote the development of a genuine system of values that can be used to evaluate the meaning and intent of official administrative actions within discretionary boundaries. They are more than likely to assume responsibility for their actions, and may on occasion seriously question official actions of their agencies according to their own set of values and principles.

PERFECTIONISTIC RESPONSES IN THE IDEALIZED IMAGE

Perfectionistic responses depict one of the interactive outcomes of expansive types of solutions to the experience of neurotic anxiety. Organizational participants who rely on perfectionistic tendencies of the moment have a number of highly identifiable propensities. They work methodically and attend to excessive amounts of detail; no aspect of their work is too small or insignificant to merit their attention. This constant attention to perfecting virtually everything ad infinitum tends to result in feeling hard pressed, exhausted all the time, and fearful of change. These tendencies result in the administrator or staff member expecting the same attention to perfection from others. This expectation may be communicated by any means available, often through nonconstructive criticism. Others who



comply with these expectations may come to find their work experience cramped, unfulfilling, and exhausting as well.

Bureaucrats with perfectionistic dispositions harbor feelings of superiority over others (whether they are in a position of superordinacy or subordinacy), because they set unusually high standards of performance (moral and intellectual) that justify "looking down" on others. What amounts to arrogant contempt for other people is often cloaked in "polished friendliness." This defensive position enables them to deny deeper arrogant and vindictive feelings, which momentarily remain suppressed by their imposition of high standards. Feelings of self-condemnation for not living up to their own standards are "split-off" and externalized (through projection), whereby, they come to denigrate others for not living up to their standards. Instances where they experience failure may also be blamed on their having been victimized by the inadequacies and poor standards of others.

ARROGANT-VINDICTIVE RESPONSES IN THE IDEALIZED IMAGE

A slightly different response (to neurotic anxiety that characterizes an identification with one's idealized image and that represents an "expansive solution") is the arrogant-vindictive tendency (Horney, 1950). People appear emotionally cold and devoid of genuine feelings, preferring to produce prodigious amounts of work. They invest their life energies toward success and triumph at work rather than focus on intimacy and love relations. Bureaucrats responding with arrogant-vindictive tendencies, on the one hand, are often resourceful and efficient workers. Further, they are often good planners and organizers. People momentarily acting on this disposition show arrogant contempt for others and believe only they can do the work properly. Because work is not enjoyed for its own value, there is a tendency to intimidate and exploit others. These attitudes and actions tend to kill off any incentive or joy that they might discover in their work. Their predominant attitudes toward work and others are those of win or lose, triumph or defeat, self-aggrandizement or self-annihilation. Feelings of defeat or being evaluated by others create anger and resentment that often surfaces in disguised action against others.

Emotional injuries from past interpersonal relations emerge (often provoked in the complex organizational setting) under stress. Protectiveness and vindictiveness then become characteristic modes of relating to others. They may not view themselves as lovable (perhaps even favorable) and do not seem to care. They may not particularly care to try to please others and show little sympathy for anyone. The range of arrogant and vindictive behavior is restricted only by considerations of prudence and expediency in their drive to "get ahead" (with no consideration of others). They may view themselves as relatively immune to punishment as anyone endeavoring to punish them cannot do so without retaliation. In general, everyone is to be mistrusted. In extreme circumstances, their behavior may be self-destructive and certainly destructive to others. Arrogance held toward others may produce rude and offensive behavior (that might be cloaked in civility), intended to humiliate and exploit the opposition.

NARCISSISTIC RESPONSES IN THE IDEALIZED IMAGE

The narcissistic defensive tendency represents the third type of identification with the idealized self-image. A person resorting to this defensive tendency may have an extraordinary amount of self-pride and generally experiences himself or herself as possessing boundless energy, which may be devoted to solving virtually any problem (Horney, 1950; Kohut, 1971). They may, in fact, often have considerable energy and talent to devote to their work. There is a tendency to consistently over-value most work performed (Horney, 1950: 312-314). They usually can be expected to expend most of their energy on conceiving grand schemes for problem solving and developing new opportunities but often lose interest in carrying them out (Horney, 1950). This is the result of avoiding the many details and problems that inevitably arise during daily activities that inadvertently expose the reality of their limitations. This avoidance often leads to delegating work on the "details" and the appearance of a rather enlightened approach to interpersonal relations.

Despite the appearance of an enlightened interpersonal approach, others are held in contempt because they simply do not measure up to their over-valued qualities and the grandiose vision of themselves.

Paradoxically the receipt of admiration from others (his or her staff, for example) is highly valued, which then only serves to reinforce and perpetuate the boundless view of self (Kernberg, 1979). This "very important person" is often unreasonably willing to take personal responsibility for everyone and everything so long as details and mundane activities are left to others.

SELF-EFFACING RESPONSES IN THE DESPISED IMAGE

The self-effacing tendency is the outcome of fragmentation and splitting the self into two parts (despised and idealized); the person momentarily identifies with the part most successful in the past in coping with neurotic anxiety—the despised self-image. A number of identifiable behavioral traits will be exhibited. First, others will be asked to help in meeting security and safety needs as expressed in dependency-oriented relations with others—what Horney (1945) refers to as "moving toward others." As mentioned earlier, bureaucratic organizational forms promote dependency-oriented relationships that may well encourage self-effacing defensive tendencies. Second, self-minimization will be sought. This is accomplished by measuring performance against perfectionistic standards of excellence that inevitably result in finding fault with everything, which in turn reinforces a low self-image. This persistent self-beratement can result in substantial difficulty in producing work, because doing a good job is avoided for fear of experiencing detested arrogant feelings that are associated with success. Any indication of innovation, creativity, or success results in overwhelming self-criticism, reproachfulness, and a redirecting of constructive life energies into destructive activity intent on sabotaging the likelihood of success.

Third, the belief of being lovable, sensitive and loving persons will be harbored. As a result, the presence of others who provide affection and security from anxiety will create a sense of vulnerability to the will of others. Often the people constituting the support group (usually in superordinate positions) come to dominate a person who consistently resorts to this defensive tendency. Requests may, in fact, come to preoccupy all time and effort to the exclusion of meeting their own needs.

Reasonable productivity can be maintained because someone gives direction and provides deadlines along with constant recogni-

tion for work performed. This need for an external structured and dependency-oriented relationship (commonplace in ideal type bureaucracies) may, paradoxically, discourage tendencies to constantly reproach oneself while promoting psychologically regressive interpersonal relationships.

A person acting on these tendencies places a premium on feelings of security and recognition. They expect others to display empathy and protectiveness toward them, what Horney (1950) calls the "appeal of love." They may experience themselves as self-sacrificing because they prefer not to do for themselves. They may appear to live for others. Love means self-sacrifice. This tendency can develop into morbid and indiscriminate dependencies upon others, others who actually act-out the person's hidden wishes to be arrogant and vindictive. The greater the expectations and demands of others, the more other people tend to become idealized—in contrast to the previous tendencies where self is the object of idealization (Kohut, 1971; Van Den Daele, 1979, 1981). The tendency generates considerable self-hate that may be rationalized by asserting that they are being oppressed and victimized by others.

RESIGNED RESPONSES IN THE REPRESSED SELF-IMAGE

Resigned tendencies result from individual efforts to repress all experience of internal conflict and neurotic anxiety. Under stressful situations this person, the real self, is suppressed; this results in a withdrawal from active participation in organizational events and interpersonal relations. As a result, this organizational participant develops a strong preference to be left alone and efforts by others to interact may be interpreted as coercive. Working with others and having to follow rules and procedures will be disliked as they tend to limit personal freedom. In contrast to the self-effacing tendency, this tendency's predominant mode of relationship is incongruent with bureaucratic organization norms and may well result in direct conflict with others (Presthus, 1978).

In the presence of others, people experiencing this tendency are retiring, withdrawing, withholding, and noncompetitive, which, in effect, renders them as nonthreatening to others. Under stress, extreme inertial tendencies in getting started on work are experienced.

Many imagine that having to perform work is threatening to their freedom. In this regard Horney claims the underlying motive of the resigned type is the "appeal of freedom" (Horney, 1950). In fact for the moment, people with this tendency may have almost no observable drive to perform work, plan, or set goals, all of which are interpreted as coercive pressures from outside themselves.

Freedom is sought above all else by avoiding feelings of coercive pressure, by restricting or repressing desires to accomplish anything. This seeming absence of personal aspirations and human drive provides a sense of freedom to imagine success and accomplishment without expending energy. The outcome may be the appearance of not needing or seeking affiliation; the status of an onlooker in life is achieved.

SUMMARY AND CONCLUSIONS

In Figure 1, we suggest that the model of psychological defensive operations and outcomes in complex organizations and the supporting psychological theory purports to depict a situation where particular outcomes are predictable both for organizational members and the organization as a whole. Depending on the quality of self-esteem one has acquired, relative to the stressful aspects of a given event, one's experience of normal or neurotic anxiety determines whether (disproportionate and inappropriate) psychological defenses are brought into operation by the individual and, more specifically, the types of psychological tendencies most likely to be utilized. We further assume that individuals find one or more defensive tendency better meets their security needs thereby creating an intermittent but persistent image of themselves. Finally, we believe the model (Figure 1) can be utilized to help predict how people relying on a particular tendency act in terms of their assumption of personal responsibility. Based upon the dynamic and causal nature of the model of psychological responses to stress, a number of hypotheses arise. Some of the most significant ones for organization theorists are the following:

(1) Organizations will be top heavy with persons who usually rely on expansive and idealized defensive tendencies (perfectionistic, arrogant-vindictive, narcissistic). Conversely, organizations will be bottom

heavy with people who tend to rely on self-effacing (despised) and resigned tendencies.

(2) The ability to effect organizational/behavioral change is problematic as change is a stress (often experienced as loss) and, to the extent it provokes neurotic anxiety, many organizational members will resist change or even acknowledgment that change is necessary.

(3) The actual performance of work of organizations that have "selected in" people who tend to rely on organizationally compatible psychologically defensive tendencies (which are likely to be reinforced by the organization) will take on a number of identifiable operating attributes. Work becomes filled with short-run highly competitive strategies for interpersonal gain and self-aggrandizement. Persons who rely on self-effacing and resigned tendencies will tend to be pushed aside or manipulated by those in positions of power and authority. Persons with adequate self-integration to maintain their intentionality may experience the organizational landscape as hostile, competitive, and generally unrewarding for them. This may encourage them to select-out of the organization and leave, or to advocate for change.

(4) One might expect organizations staffed with people who easily perceive many events as stressful (and who experience the stress with neurotic anxiety) to view the operating environment and clientele as threatening. This perception might encourage efforts by the staff to further control the environment and the clients or, perhaps, might provoke the staff to withdraw to the shelter of some dark recess.

(5) Interactions among people relying on these psychological defensive tendencies can also be predicted. One can easily imagine the nature of the interaction between a superordinate relying on arrogant-vindictive tendencies and a subordinate relying on self-effacing tendencies. Furthermore, as groups and organizations come to be occupied by like-minded people who share a common organizational culture, the possibility exists of applying these individual psychological defensive tendencies to groups and organizations.

We believe Figure 1 and our supporting psychological theory depicts a situation that "fits" the experience many of us know of individual and group behavior in complex organizations. Our conceptual model of psychological responses to stress in complex organizations further meets the criteria Kurt Lewin developed for action research: (1) problem-centered, (2) client-centered, (3) challenges the status quo, (4) produces empirically disconfirmable propositions that (5) can be systematically interrelated into a theory

designed to be (6) usable in everyday life (Lewin, 1946). In this regard, we believe the action paradigm is well suited to testing out the implications of the model of psychological responses to stress.

Individual and organizational performance is of much current interest. We believe that our dynamic model of psychological defensive operations and outcomes offers a new "conceptual window" through which to view people and group behavior in the workplace and, in particular, with which to interpret the behavior of organizations with bureaucratic characteristics. The improvement of conceptual skills for understanding personal and organizational dynamics has become a mandate in contemporary society. Appreciation for irrational individual and organizational characteristics is fundamental to the ability to "enter" and comprehend the true significance of interpersonal and organizational behavior. We have constructed a conceptual model of psychological responses to stress in complex organizations so that theorists and practitioners might enhance their interpretive skills and awareness to covert as well as overt phenomena. In conclusion, we hope this knowledge might lead to a more holistic view of organizational behavior and to sophisticated intervention strategies aimed at improving the quality of organizational life and productivity.

NOTES

1. The model of psychological-defensive operations and outcomes in bureaucratic organizations borrows predominantly from psychoanalyst Karen Horney's "ideal-typological" and "structuralist" theory of neurosis, which identifies various character types that illustrate "the neurotic features of personality function" (Van Den Daele, 1979; Horney, 1937, 1939, 1942, 1945, 1950). We believe that with the support of psychoanalyst Van Den Daele, Horney's theory—viewed in the context of its developmental phases from her early writings (1937, 1939), through her later works (1945, 1950)—represents "a lifespan theory of neurotic development" (that delineates types) in terms of various cognitive-affective structures that organize the person's feelings, thoughts, perceptions, and behavior. "The affective aspect of these types is broadly defined in generic categories of interpersonal affinity, whereas the cognitive aspect is described in various claims, shoulds, beliefs, and premises about the self and the world. These structures occur as organized totalities, with claims, shoulds, beliefs, and premises cognitively and affectively interdependent. A change in any one

cognitive-affective element ramifies in the total structure," (Van Den Daele, 1979: 24-25).

We also refer, to a lesser extent, to Harry Stack Sullivan's interpersonal theory of psychiatry for greater elaboration of the significance of anxiety to the formation of neurotic aspects of personality which emerge in adult life. Sullivan's interpersonal theory complements Horney's earlier works that focus on object relations with respect to infancy and pre-oedipal development. In addition, we refer to Sullivan's conception of a self-system for greater explanation of anti-anxiety measures that people engage in to maintain security and self-esteem. We believe that Horney's neurotic solutions are complementary to Sullivan's notion of self-system operations, which serve the purpose of adaptation and avoidance of anxiety. In the model, we merge Sullivan's and Kohut's notion of self-system tendencies with Horney's theory of neurotic solutions in order to identify predominant interpersonal modes of relationships that represent defensive actions under stressful circumstances in bureaucratic organizations (Sullivan, 1953; Horney, 1950; Kohut, 1971; Van Den Daele, 1979; Chrzanowski, 1977).

2. In the model we utilize Sullivan's concept of "self-esteem" to indicate the value one places upon one's self (Rycroft, 1968: 149) as he or she enters the bureaucratic organization, which, according to Sullivan (1953), is the outcome of his or her life experience with anxiety-filled or anxiety-free interpersonal relationships throughout the life cycle. Sullivan expressed this sense of being as an esteem that one feels toward one's self and what one does in action (for example, one's respect for his or her job or work), as well as an esteem one holds for others and what they do in action, (1953).

Explicit in both Horney's theory of neurosis and Sullivan's interpersonal theory is the profound influence of "anxiety" rooted in infancy and often perpetuated throughout human development, which affects the characteristic patterns of defensive and behavioral responses (Horney's "neurotic solutions" and Sullivan's "self-system" operations) to stressful events during adulthood. In the model, the concept "self-esteem" indicates the prevalence of, or lack of, intrapsychic conflict at the moment of interpersonal or organizational stress. As illustrated in the model, in Horney's terminology: The capacity of the "real self" or integrated ego (a term often used in psychoanalytic ego psychology) to respond to the stressful circumstances with minimal psychological defensive (splitting, projection, introjection, or repression) and compulsive actions represents what we call "adequate self-esteem." For Sullivan this means that no significant loss of self-esteem occurs under pressure.

3. For Sullivan, the self-system of the human personality operates to protect the core self. It functions to counter anxiety in order to maintain security and one's sense of self-esteem. It is both adaptive and defensive in character. In merging Sullivan's interpersonal theory with Horney's theory of neurosis, we borrow from Sullivan his notion of (self-system) defensive tendencies to help illustrate the predominant mode of relationship originating from the "basic anxiety" (origins and beginnings of anxiety) in the person. Sullivan's notion of the psychological defensiveness (self-system) is complementary to Horney's "neurotic solutions." For Horney, the neurotic solutions represent the person's attempt to solve the problem of anxiety with specific emotional, cognitive, attitudinal, and behavioral outcomes. We believe a truly comprehensive approach to explaining and identifying anti-anxiety measures in the person is possible through integrating Sullivan's conception of a self-system and Horney's notion of the

neurotic solutions. In the essay, we merge both contemporary psychoanalytic theories to conceptualize psychologically defensive operations and outcomes in bureaucratic organizations (Sullivan, 1953; Horney, 1945, 1950; Chrzanowski, 1977; Van Den Daele, 1979, 1981). In contrast, when the person's self-esteem is inadequate or low, several dissociative processes (Sullivan, 1954) can be identified as "structural representation of self-pathology" borrowing from Horney's theory of neurosis (Van Den Daele, 1981; Horney, 1950). In the model we recognize three general psychological processes under the heading "self-esteem" that illustrate the impact of interpersonal or organizational stress on the core self (what Horney calls the "real self"). These psychodynamic responses to stress are (1) "integration"—which illustrates an outcome where no significant loss of self-esteem and maintenance of the real self in action occurs, and where normal anxiety is expressed but neurotic defenses are not provoked so that the problem or conflict (stressor) may be confronted constructively; (2) "fragmentation"—where a lower self-esteem fosters a "vertical split" between the "idealized image" and the "despised image" within the core self, experienced when stress is encountered (Van Den Daele, 1981; Horney, 1950), and neurotic anxiety is leading to psychological defenses that manifest "expansive" characteristics for identification with the "idealized image" or "self-effacing" characteristics for identification with the "idealized image" or "self-effacing" characteristics for identification with the "despised image" (Horney, 1950); and, (3) "repression"—where a very low self-esteem produces neurotic anxiety requiring a defensive response of withdrawal and detachment from self and others, what Horney refers to as the "resigned" type, (Horney, 1950).

4. Personal responsibility refers to a person's willingness to accept responsibility for his or her actions and their consequences. On the surface this demands the prerequisite that the individual not be alienated or disconnected physically from the outcome of his or her labor or ideas. The working environment must not separate a person from the mastery over the product of their actions or otherwise they cannot be expected to take responsibility for their actions. It must be understood that personal responsibility depends upon both the structure of the activity as well as the psychological health, degree of spontaneity, and the autonomy of the actor. Our focus is primarily on the psychological components of personal responsibility under stress, but we emphasize that the work and decision-making structures of organization must be conducive to personal responsibility. Personal responsibility is indicated by spontaneity, autonomy, and flexibility and is therefore not compatible with routinization, hierarchy, and rigidity of operations.

5. Splitting is a "process" (defense mechanism) by which a mental structure loses its integrity and becomes replaced by two or more part-structures. Splitting of both ego and object is described. After splitting of the ego, typically only one resulting part-ego is experienced as "SELF," the other constituting a (usually) unconscious "split-off part of the ego." After splitting of an object, the emotional attitude towards the two part-structures is typically antithetical, one object being experienced as "GOOD" (accepting benevolent, etc.), the other as "BAD" (rejecting, malevolent, etc.)" (Rycroft, 1968: 156).

6. It is our intention in providing these descriptions not to produce bins into which to dump all human behavior. The desire to place one's self somewhere in the typology (based on our experience with the model) is extraordinary and most predictable.

Having placed one's self in the typology, the person often acts to place others in "bins" as well. We caution the reader and administrator as to the futility of this kind of exercise. However, if you find yourself in the bottom looking up and can hear your peers lightly tapping on the boundaries and borders of their respective "bins," try to recall the fact that most people have these tendencies much of the time and may exhibit several over a short period of time. The "ideal typologies" provide only starting points for personal reflection and awareness of the moment as well as a basis for viewing the behavior of others with compassion and appreciation for the moment.

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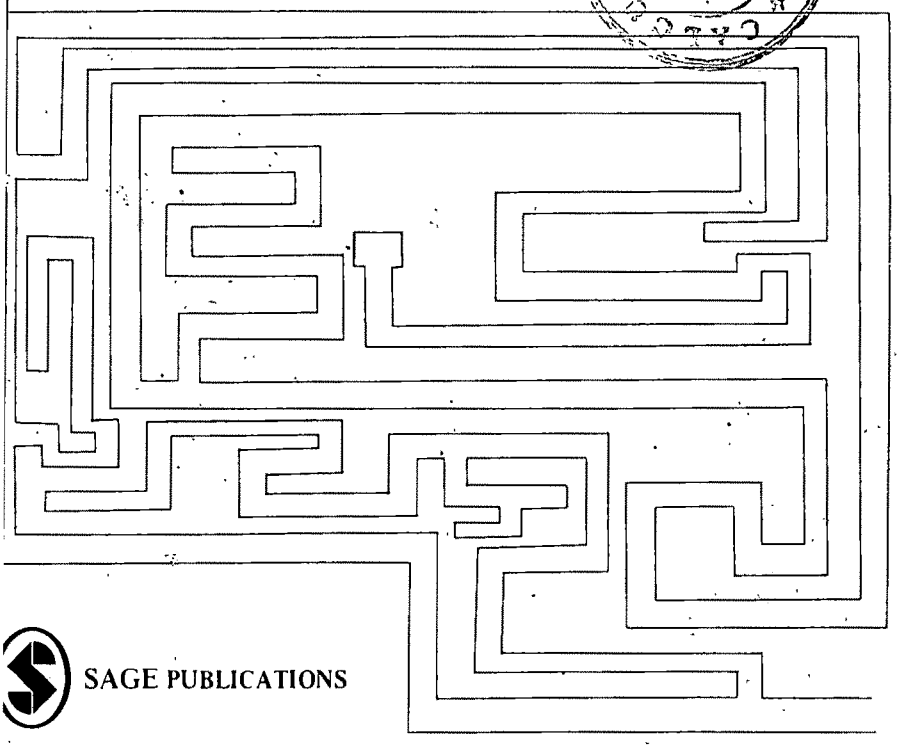
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Research on coproduction—the involvement of citizens in the provision of municipal services—has been decidedly positive, emphasizing the considerable advantages of this model for both urban governments and the citizenry. This article accepts these conclusions but examines several issues in the implementation of coproduction that may jeopardize its vitality. Coproduction succeeds as a result of the increased investment of citizens in service delivery, yet the service bureaucracy will likely exercise predominant influence over the design of these programs. Growing fiscal pressure on local governments as well as acceptance of the privatization philosophy may lead to the transfer of significant service costs to citizens, raising special problems for less affluent neighborhoods. Moreover, without careful attention to design, the commitment of citizen resources to service production in official participation programs may deflect community groups and organizations from taking a policy focus.

COPRODUCTION
Issues in Implementation

JEFFREY L. BRUDNEY
University of Georgia

Since the 1970s, many of the concepts developed by scholars and practitioners in the field of public administration have had less than felicitous connotations. "Fiscal stress," for example, refers to problems of severely stretched public resources. "Cutback management" expresses the dilemma of many urban governments attempting to maintain service functions and levels with dwindling personnel, equipment, and revenues. "Retrenchment" signifies an end to urban expansion in population, tax base, government, and services, a return to a more limited conception of the public sector. A term of slightly more recent vintage, "revenue enhancement" is a euphemism for increases in citizen taxes, users' fees, licensing arrangements, and the like to help ailing government budgets. Like them or not, these concepts capture hard realities of urban government and administration in the 1970s and 1980s.

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Another concept of this era stimulating the interest of scholars and practitioners alike is "coproduction." Although several definitions of coproduction appear in published research, consensus obtains that as distinguished from citizen participation, coproduction refers to the involvement of service consumers in the actual delivery of services (rather than in policy formulation and legitimation activities), normally in concert with public agencies (Brudney and England, 1983; Warren et al., 1982; Parks et al., 1981). In contrast to the foregoing concepts, coproduction has evoked a much more positive response, and for good reason: A growing literature links the model to key goals of urban governance, including the effectiveness and efficiency of service delivery and a resurgence of citizenship among the populace (for example, Levine, 1984; Ahlbrandt and Sumka, 1983; Percy, 1983; Warren et al., 1982; Rich, 1981, 1979; Rosentraub and Sharp, 1981; Whitaker, 1980; Sharp, 1980; Bjur and Siegel, 1977). These conclusions have been documented with sufficient frequency that they need not be questioned here. Instead, this article examines possible cautions of the model that have received less scholarly attention but that may nevertheless confront local officials in the implementation of coproduction programs.

COPRODUCTION AND VALUES

At base, the coproduction model of service delivery rests on a pivotal distinction between the production of goods and the production of services: In the former, the characteristics and behavior of consumers are independent of the product, whereas in the latter, consumers and producers interact to determine jointly the level and quality of services provided (Fuchs, 1968). Because service delivery and the achieved outcomes involve producers and consumers more directly, Garn (1973: 36) argues that

> outcomes designed to enhance client welfare cannot be produced in the same way that goods are produced. Consequently, clients in social programs could not be considered to be passively involved in the process of having their welfare enhanced. Producing improvements in health, educational outcomes, job performance, and income turns out to involve not only the actions of those who are providing the service, but also those who are recipients.

The coproduction literature has taken the fact of client participation in human services and expanded it in two directions. First, researchers have elaborated the ways in which citizen actions can and do affect the provision of municipal services. From this perspective, coproduction aims "to improve urban service delivery by making better use of citizens as resources" (Sharp, 1980: 106). Several scholars have developed typologies of coproductive activity. Whitaker (1980), for example, found that citizens help to coproduce services by requesting assistance from service agencies, cooperating with service agents in carrying out agency programs, and negotiating with service agents to redirect agents' activities. Rich (1981) identified active as well as passive forms of citizen coproduction and showed that the concept can be applied to the provision of not only "soft" services, such as those described by Garn, but also "hard" services—for example, streets and sanitation.

Second, coproduction researchers have been quite straightforward in advocating implementation of the model in the provision of municipal services. Whitaker (1980: 246) concludes, "we need to examine ways in which agencies can organize to facilitate the types of coproduction most appropriate to the services they seek to deliver." Sharp (1980) devotes a section of her analysis to "Developing a Coproductive Approach"; other researchers also encourage coproduction in local government (for example, Percy, 1983; Rich, 1981; Bjur and Siegel, 1977). Presumably, the major reason for this emphasis is the linkage to service delivery goals: "The coproduction of city services offers numerous potential advantages to cities, community organizations, and residents. Cost reductions, greater effectiveness and sensitivity to client needs are the more obvious" (Ahlbrandt and Sumka, 1983: 218-219).

But in this literature one also encounters an assessment of coproduction that sometimes goes beyond instrumental acceptance—a sense of "coproduction as a normatively valued good" (Wilson, 1981: 44). This view has at least two sources. First, coproduction is conceived as a form of citizen participation that, consequently, is thought to share the classical attributes of other modes of participation, such as facilitating communication between citizens and government and producing more responsive and responsible public officials. Second, coproduction offers an enhanced conception of citizenship and a broader role for public officials (Levine, 1984; Sharp, 1980). According to the model, citizens are expected to

assume joint responsibility with service agents for the design and execution of service delivery, an obligation that may instill a sense of trust, loyalty, and commitment to local institutions. For their part, public officials are not only to accept the legitimacy of citizen participation but also to work with residents to develop their competencies as potential coproducers. Together, these efforts may foster mutual learning and understanding between citizens and government.

As this discussion suggests, research on coproduction has moved beyond mere recognition of the involvement of clients in human services. Scholars have delineated broad areas and activities in which citizens contribute in important ways to service production and have encouraged this participation. Research has also established a persuasive array of benefits and values associated with the coproduction model that make implementation likely. Despite these values, however, simply because a program incorporates joint citizen-agency provision of services does not guarantee that it is inevitably effective, sensitive to community needs and preferences, or enlarging of bureaucratic roles. Nor are such programs free from potential problems and obstacles. The remainder of this article focuses on three areas of concern in the implementation of coproduction programs: (1) the role of the service bureaucracy in program design; (2) the association of coproduction with privatization of services; and (3) the possibility of cooptation of citizen interests.

COPRODUCTION AND COSTS

The advantages to city governments and residents yielded by coproduction result from the increased responsibilities and participation of citizens in service delivery predicated by the model. For example, if coproduction increases service efficiency, the reason is that some or all of the costs of service production have been shifted to citizens. The often-cited illustration of citizens carrying garbage cans to curbside to facilitate trash collection is indicative: Production costs are reduced through the substitution of citizen for professional inputs. Similarly, if coproduction leads to greater service effectiveness, the reason is that citizen efforts supplement those of service professionals, allowing the latter to pursue more productive service

tasks. Citizen watch groups or patrols that monitor neighborhood conditions and report suspicious behavior to the authorities free law enforcement personnel for more technical community safety and security measures. If coproduction stimulates a more responsive service bureaucracy or increased citizen competencies, again the catalyst is a more active citizenry.

The coproduction literature has recognized that citizen activities in service delivery impose real costs on participants and are not a "free" resource to be used indiscriminately (Warren et al., 1983; Percy, 1983; Rosentraub and Sharp, 1981). The source of decisions regarding these costs has received less scrutiny. In fact, although increased costs fall to residents for service improvements gained through coproduction, citizens are not in a strategic position to influence decisions regarding how these costs are to be paid. Despite the neighborhood/community basis and rhetoric of the coproduction model, the service bureaucracy, as a result of superior access to elected officials and close ties to public employee associations, enjoys a decided advantage in determining the mix of citizen and professional inputs into the service production process that defines coproduction (Parks et al., 1981: 1008-1010).

Although this perspective may seem to understate the influence of residents in the design of coproduction programs (apart from the actions of the service bureaucracy, citizens may take action to form a neighborhood association, for example) several factors mitigate the potential effectiveness of this recourse. First, coproduction implies joint citizen-agency provision of services; a failure to achieve cooperation can have deleterious consequences. In the absence of arrangements between community groups and city officials, the service bureaucracy could conceivably shift resources and activities away from neighborhoods with active watch groups or associations—a response that would not only demoralize residents but also jeopardize putative advantages of coproduction. Similarly, unilateral action by overzealous citizen patrols may interfere with the performance of official personnel. Second, as Rich (1981, 1979) has explicated, neighborhood associations that attempt to influence community conditions and service levels provide a collective good that residents may share regardless of their participation. These large organizations thus face obstacles to collective action, but they generally lack the resources identified by Olson (1965) to surmount them (i.e., the ability to use coercive authority or to offer individual benefits). Rich concludes that government structures and policies

dramatically affect the success of community efforts. Third, the level of citizen participation achieved in service delivery may be contingent on the support, funding, and publicity given by the city to coproduction programs. One of the few empirically based studies of coproduction reports (Warren et al., 1983: 18)

> the presence or absence of formal initiative on the part of city officials to sponsor coproduction activities appears critical. For example, in 1978 the Fort Worth Police Department sponsored a campaign to have citizens put identification marks on their property. A survey done at that time showed 30% of the households interviewed engaged in this activity. Fort Worth did not emphasize or publicize this program in 1981, and the number of families reporting this activity declined to less than one percent. In 1982, the city of Sherman was not organizing a property engraving program, and the survey there found no household reporting they had marked their property. In another case, Forth Worth did sponsor meetings between the police and community groups in 1978, but not 1981. Similarly, the percentage of households reporting participation in such meetings changed from 16.4% to .9% in the two surveys.

If these findings prove typical of the experience of other cities with coproduction programs, then the degree of local government support merits close scrutiny as a key variable in coproduction research and practice. The efforts of the service bureaucracy to organize and publicize coproduction programs may have a crucial impact on the level and types of service activities undertaken by citizens. Moreover, other scholars have linked the effectiveness of coproduction programs to organizational arrangements and design features of local service delivery institutions (see Clary, 1983; Percy, 1983). Thus, the prospects of unilateral citizen action resulting in coproduction seem remote.

In sum, the service bureaucracy will likely have a major influence on the development and implementation of programs incorporating citizen participation. In transferring service responsibilities to residents, local officials must be cognizant of not only the importance of public support to the success of these programs but also the costs imposed on citizens. At present, overreliance by local governments on citizen inputs to service delivery does not appear to be a problem. On the contrary, because public employee unions and service agents may view coproduction programs with suspicion as a potential threat to the ease and security of their positions, they are likely to overinvest

in their own provision of services. However, as municipal budgets tighten and cities and their residents discover the opportunities for and advantages of coproductive arrangements, the temptation to make further use of citizens as resources in service delivery will increase. The growing acceptance of the privatization philosophy as an approach to service delivery will accelerate these forces.

COPRODUCTION AND PRIVATIZATION

The Reagan administration has enacted a set of policy changes increasing reliance on the private sector and market-oriented approaches for accomplishing public purposes that, collectively, may be termed "privatization" (Palmer and Sawhill, 1982). Underlying much of the impetus toward privatization is the belief that government, especially at the federal level, has become excessively involved in financing, regulating, and providing services that could be supplied more efficiently through other means. In this manner, it is argued, government has detracted from the vitality of the private sector, the nonprofit sector, and the spirit of citizen voluntarism (Meyer, 1982). Proponents contend that if these forces could be freed of external controls, they would reduce dependence on government, lower tax burdens, and provide more effective approaches to service delivery.

But as governments relinquish service responsibility, one can have no great assurance that nonprofit organizations and private concerns have the capacity or the inclination to assume the functions ostensibly handed over to them. Heavily dependent on public funding, the nonprofit sector has been seriously weakened by federal budget cuts. "These cuts are concentrated most heavily on social welfare and community development organizations, where the revenue loss will be on the order of one-quarter of their expected budgets. These are the very groups that will be under greatest pressure to replace the public services targeted for elimination" (Palmer and Sawhill, 1982: 13). With respect to the private sector, historically government has provided many services precisely because production characteristics rendered them inefficient or unprofitable. Moreover, even such advocates of private sector initiatives as Jack A. Meyer (1982: 5) argue against the presumption that this sector is obligated to augment its role in service provision to the degree that the governmental role has been decreased: "The private



sector neither can nor should re-fund the same programmatic structure de-funded by Congress. . . . The money cut from federal social programs will not necessarily find its way from the private sector to the same social agenda addressed by those federal programs."

Given these limitations of the nonprofit and private sectors, greater emphasis can be expected to shift to citizen voluntary and self-help efforts to provide services, including coproduction programs. This development may work to the advantage of neighborhood groups and organizations so long as public officials understand that coproduction involves cooperative—rather than unilateral—provision of services. Surely, coproduction is a creative response to current problems of fiscal stress. The danger, however, is that increased reliance on citizen voluntarism as an accepted approach to service delivery will obscure the role played by public support in stimulating and sustaining coproductive activity and ensuring an equitable distribution of services. In times of fiscal austerity especially, coproduction may be misconstrued as a rationale for government "load shedding" of service responsibility. Yet, the model does not imply abdication of public action but a merging of the service activities of government, citizens, and neighborhood groups. At its worst, such devolution of authority could degenerate into a transfer of significant service responsibilities to neighborhoods without adequate provision for funding, coordination, or administration of service delivery.

City officials must also consider the consequences of privatization and coproduction policies for the distribution of services. Through greater use of fee-for-service arrangements and market transactions to meet individual needs and preferences for services, privatization has the effect of increasing service costs for citizens. Similarly, coproduction requires citizens to bear a larger share of costs of service delivery, although these burdens need not be exclusively monetary. The self-service ethic underlying both approaches can work to the detriment of those who have fewest resources to invest in service delivery.

As several researchers have found, because lower-income residents may be less able to undertake coproductive activity, and the types of coproduction that they do employ may be more costly than those used in higher-income neighborhoods, coproduction raises the issue of service equity (for example, Warren et al., 1983; Percy, 1983;

Rosentraub and Sharp, 1981). To the extent that coproduction contributes to the quantity and quality of services received by participants, application of the model may exacerbate differences in service levels to the detriment of lower socioeconomic groups. Rather than shed service responsibility, then, local officials must be prepared to implement redistributive measures as an element of coproduction programs. Possible remedies include the selective application of economic and other incentives to groups or neighborhoods judged high in need to motivate participation: the allocation of additional service resources and access to these areas, and the employment of neighborhood organizers.

The privatization and coproduction approaches to service provision motivate a final concern. Their appeal to citizen initiative to help pay the rising costs of service delivery may provide comfort to those harried public officials who would prefer not to answer to an aroused citizenry. For them, these philosophies offer a ready defense to deflect public criticism and/or service demands: Given the political and economic climate, if more or better services are at issue, citizens, rather than administrators, can be told that they must assume a greater obligation in providing them.

COPRODUCTION AND COOPTATION

This hypothetical scenario reveals a challenge—and opportunity—of the coproduction model. Because citizens are to assume a larger part in the design and execution of service delivery, together with service agents, they are jointly responsible for this function. As a result, the attribution of credit or blame for service performance is less clear than under traditional arrangements in which government acts unilaterally as service provider. As Percy (1983: 16) notes, "If citizens refuse to become coproducers where their efforts are needed, then they share responsibility for inadequate service levels in the community." The issue is how to involve both residents and public officials in service delivery without fostering too great citizen dependence on the service bureaucracy or tempting administrators to shape coproduction programs according to their preconceptions regarding citizen competencies and participation. In particular, cooptation of citizen interests may emerge as a threat to the success of this process.

Cooptation may jeopardize the vitality of coproduction in two ways. First, as Gittell (1980) points out, public support of citizen participation programs may ultimately distract community groups and organizations from adopting a policy focus. Based on a study of education services in Atlanta, Boston, and Los Angeles, Gittell concludes that officially mandated citizen participation organizations coopted the possibilities for policy initiative and change from other groups in the community. Dependent on government funding, these organizations largely responded to an agenda defined by school professionals, narrowing their efforts from policy influence to the delivery of services. Although the services provided may have been functional, this orientation deterred the organizations from taking political action, which was their original purpose. In order to meet ongoing operational needs, these organizations became increasingly concerned with maintenance goals (for example, funding and staffing) to the detriment of policy and advocacy functions.

A second potential source of manipulation arises from the power imbalance between citizens and the service bureaucracy in the design of coproduction programs. Although the model is predicated on the joint responsibility of citizen and professional coproducers for the delivery of services, as discussed above, the bureaucracy will likely exercise predominant influence over program design and implementation. Superior access to elected officials and public employee unions, together with control over the flow of service resources, training, and information, yield a distinct advantage in setting the service agenda and determining the mix of government and citizen activities that constitute coproduction programs. It is hoped that commitment by public officials to service and civic goals will guide the inclusion of citizens in coproduction, and, thus, these programs will evince the mutual learning process and adjustment of expectations between service agents and citizens envisioned by the model (Whitaker, 1980).

A less optimistic result is also conceivable, however. Given the pressures and constraints on local governments for service provision, the concept of joint responsibility may afford an opportunity to attempt to persuade citizens that their demands for services or policy changes are unreasonable, or that service problems and failings can be attributed to them. It may also lead to service-delivery arrangements in which citizens undertake activities that fit administrators' preferences for citizen involvement and/or the convenience of their present positions—rather than those that might augment service

effectiveness or contribute to a restoration of communitarian values and citizenship. As students of organization have found, participation can be used instrumentally to benefit the organization, rather than the participants (see Dachler and Wilpert, 1978: 8-9). For example, a recent study of Georgia planning agencies concludes that these organizations allowed citizens a strong role in decision making only when the agency stood to gain from their participation (MacNair et al., 1983).

Coproduction is more likely to occur in settings in which service deliverers and service recipients share similar values. The process by which value congruence is achieved is crucial to the design of coproduction programs. Citizens may defer too readily to the opinions of service administrators because they view them as experts in their field, with counterproductive results. For example, survey research shows that police officers in two Texas cities (Fort Worth and Sherman) were least receptive to citizen activities to increase safety that involved conjoint behavior with these service agents (for example, community meetings) and most receptive to those that were passive or imposed lifestyle changes on residents—for example, avoiding dangerous areas (Warren et al., 1983). These attitudes leave much room for disagreement and discussion between police officers and the community and should not be acceded to as expressions of professional expertise. Yet, as a consequence of the great disparity in expertise normally distinguishing service agents and citizens, these preferences may be accepted, even though they apportion the costs and activities of coproduction in a questionable manner with respect to the enhancement of service goals or public civic-mindedness. Based on studies of organizational decision making, Mulder (1971) has demonstrated that participation by groups with differences in expert power, rather than promoting power equalization, provides the more powerful with greater opportunities for using their expertise—with the result that their effective influence over the less powerful increases.

CONCLUSION

Much of the research on coproduction has emphasized the contributions of this model to the realization of important goals of municipal service delivery, such as efficiency and effectiveness.

Coproduction has also been associated with significant values in urban governance, including increased citizen participation and the enhancement of roles of both individuals and public administrators. The attainment of these objectives should not be minimized, especially when fiscal stress threatens the provision of essential services in many cities, and the literature has called for the development of new approaches to service delivery to meet the situation.

This article does not dispute these considerable advantages but instead points out possible cautions of coproduction that should be addressed as the model gains wider acceptance and implementation. The work of scholars of community organization may be instructive in ameliorating potential problems. Rich (1983), for example, argues for multiple community organizations as an approach to alleviate the heavy demands placed on any single organization that attempts both to provide services and to pursue an advocacy focus. In order to reduce dependence on government as a source of support, and, thus, allow these organizations the latitude to act as proponents of new policies as well as critics of current programs and conditions, several funding arrangements seem feasible, including direct grants and contractual arrangements. Despite the promise of these strategies, they confront serious obstacles. The Reagan administration has not proven a friend to community initiatives, and fiscal retrenchment in government may well lead to an attenuation (rather than an increase) in the number of community organizations, leaving the survivors to assimilate additional (rather than fewer) functions (Boyte, 1982).

Perhaps the most useful strategy is education for public administrators. Because the relationship between community groups and urban government has often been adversarial, education may prove necessary to overcome "the traditional inclination of public administrators to keep the *participation* of citizens in agency operations at arms length" (Levine, 1984: 185, emphasis in original). Education should inculcate the value and legitimacy of citizen inputs to the design and execution of service delivery. Elaboration of the possible benefits to accrue to administrators from citizen involvement in service provision may make this argument more appealing. If urban officials can be persuaded that citizens can make their job easier instead of more difficult—for example, by relieving them of mundane service tasks and increasing productivity—they may evince greater willingness to accept citizens as equal partners in service delivery (compare Sharp, 1980: 117-118).

The values engendered by coproduction should not deter critical analysis of the model. Like all approaches to service delivery, coproduction faces challenges and difficulties. The advantages offered by the model render treatment of these problems all the more important so that the productive capacities of citizens and public officials can be combined effectively toward the provision of services.

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This article explores relationships among employees' work and nonwork psychological involvements in an effort to uncover some of the complexity of employees as multidimensional human beings. The relationships found reflect a pattern of involvements consistent with Van Maanen and Schein's (1977) three-dimensional interactional schema of work, family, and self-development. These findings suggest that models of employees' accommodation to work and nonwork involvements need to incorporate a separate "self" dimension. Although direct results indicate a segregation pattern of accommodation to work and nonwork psychological involvements, closer examination reveals a pattern of links between work and nonwork involvements, with personal life efficacy as the pivotal variable.

WORK AND NONWORK PSYCHOLOGICAL INVOLVEMENTS The Search for Linkage

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Human beings occupy several roles simultaneously and generally segment their behavior according to the context of their activity (Dubin, 1956, 1973; Merton, 1968). Individuals also tend to become psychologically involved in the various roles they occupy (Sarbin and Allen, 1968: 555). With the exception of the very extreme workaholic who has minimal life away from work, most individuals manage to sustain simultaneously various psychological involvements, such as work, family, hobbies. Yet, most research on employee attitudes and behavior tends to compartmentalize an individual's world into work and nonwork domains, and then limit the focus to one or the other sphere for the sake of research convenience.

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There is sound method in compartmentalized research, for the issues concerning individuals' psychological involvements at work, or away from work, are sufficiently complex to occupy the attention of the most able researchers for a lifetime. The research presented here builds upon those compartmentalized research efforts. However, the premise of this article is that such compartmentalization yields an incomplete picture precisely because it ignores potential influence from the other domain. This research explores public employees' involvements in work and nonwork domains to ascertain the pattern of accommodation characteristic of a group of mid- to high-level federal employees.

These analyses examine the patterns of accommodations to work and four selected nonwork involvements characteristic of a group of professional-level federal employees. The data are based on questionnaires from a random sample of 345 professional-level employees (GS 9 and above) at the headquarters of four select federal agencies: the Civil Aeronautics Board, the Commission on Civil Rights, the Office of Management and Budget, and the Office of Personnel Management. The work/nonwork accommodation issue examined here is especially interesting for these higher-level employees. As the core of the American career civil service, these employees are likely to have high levels of work involvement. Conventional wisdom suggests that higher-level employees have a difficult time sustaining work and nonwork involvements because their work generally absorbs most of their attention. This research will examine how these employees meet the challenge of simultaneously sustaining high levels of involvement away from work.

EMPLOYEES' WORK AND NONWORK ATTITUDES

MODELS OF ACCOMMODATION TO WORK AND NONWORK

At one time or another nearly everyone with a full-time job recognizes the challenge of trying to fulfill work and nonwork responsibilities. For some individuals this is an exciting process. Marks (1977) noted the possibility of people feeling energized by having multiple roles. Lane (1962) noted another possibility: that

tension between work and nonwork is one of the main sources of incompatibility with which individuals must cope. Whether viewed as opportunities or pressures, some form of individual psychological accommodation is likely to occur (Kelman, 1958).

Scholars who have explored the relationships between work and nonwork experiences have postulated three patterns of accommodation: spillover, compensation, and segregation (Wilensky, 1960; Kando and Summers, 1971; Meissner, 1971; Staines, 1980). The spillover model posits that individual adjustments in a central institutional setting will be comparable in other settings; attitudes or behavior found in one arena carry over into other arenas of the individual's life—for example, dissatisfaction at work being associated with dissatisfaction at home. The compensation model posits that an individual's adjustment in one central institutional setting (e.g., work or family) can counterbalance attitudes or experiences in other institutional settings. In other words, deprivation or excesses experienced in one arena are balanced out in the other arena—for example, deep involvement in work that is used to compensate for an unhappy home life. Under a segregation model, employees' work and personal lives are simply unrelated. Employees who segregate their work and nonwork lives would not have their work lives affecting their personal lives and vice versa. Nor would they use one arena as a substitute or supplement for conditions they face in the other arena. Whether by design or happenstance, under such a pattern of accommodation, employees' work lives would be independent of their nonwork lives. For example, the degree of work satisfaction would neither enhance nor detract from employees' satisfaction with their nonwork lives. Analytically the relationships can be represented in the diagrams below.

Spillover:	work	+	nonwork
Compensation:	work	−	nonwork
Segregation:	work	0	nonwork

In examining work and nonwork accommodations, the question arises as to precisely what aspects of work and nonwork lives one should measure. Most research efforts focus on key attitudes, such as

work and nonwork satisfactions (Orpen, 1978; Schmitt and Mellon, 1980). Other efforts have focused on forms or behaviors in work and nonwork domains (Wilensky, 1960; Kando and Summers, 1971). A problem with these approaches is the difficulty of accounting for differences in the significance and meanings that people attach to similar attitudes, experiences, or behaviors (Kando and Summers, 1971). For example, two individuals may be highly satisfied with their work, but one may not consider work to be an important part of his or her life. Similarly, two different people may have jobs that are comparable in the degree of physical exertion. One person may think of the physical activity as exhausting or boring whereas another may think of the job as stimulating or fun, depending upon how each feels about physical activity.

Faunce and Dubin (1975) posit the concept of self-investment as a way around this problem of multiple forms and meanings of work. In extending the work of Wilensky and Meissner, Faunce and Dubin drew upon expectancy theory to introduce the concept of self-investment as a mediating variable in the adjustment to multiple work and nonwork roles. Self-investment in Faunce and Dubin's (1975: 307) model reflects the "degree of effect of social encounters upon self-esteem which [may be] differentially distributed among social roles." The more one's self-esteem is tied to performance in a particular role, the more self-investment one has in that role. Faunce and Dubin suggested that self-investment may be an explanation for the diversity of empirical findings concerning the "functions and meanings" of work for industrial employees as well as contributing to variation in adjustment modes throughout individuals' work lives. Similarly, Van Maanen and Schein (1977) suggest it is important to distinguish between internal and external patterns of accommodation in recognition of the difference between feelings about the involvements and the external behavior, which is evidence of the involvement. Their concept of internal accommodation, which refers to the degree of ego involvement individuals have in major roles of their lives, roughly parallels the concept of self-investment used by Faunce and Dubin.

Research findings to date are inconclusive. Orpen (1978) found work satisfaction to have a larger influence on nonwork satisfaction than vice versa. Schmitt and Mellon (1980) found life and job satisfaction to be related, but the direction of the relationship

between work and nonwork was reversed, with life satisfaction contributing to job satisfaction. Champoux's (1980) test of these models of accommodation revealed a diversity of patterns as well. Although Champoux's test did not include a measure of self-investment, his findings support Faunce and Dubin's proposition that compensation and spillover models of accommodation are not exclusive. Even though white-collar employees tend toward spillover and blue-collar employees tend toward compensatory accommodations, some groups of employees displayed combinations of both patterns. Staines (1980) imposes some order on these inconsistencies by noting the variety of research questions that have been pursued under the rubric of relationships between work and nonwork. Staines concludes there is more evidence for spillover than compensation relationships.

SELF AS A SEPARATE VARIABLE OF THE MODEL

In their review of empirical research findings, Near, Rice, and Hunt (1980) noted the possibility of some "individual differences" variables, such as self-esteem, mediating the relationship between work and nonwork. Van Maanen and Schein (1977) posited a schema for explicitly incorporating the "self" dimension into models of accommodation. Van Maanen and Schein approach the question of connections between work and nonwork in somewhat less global terms than the spillover/compensation/segregation models, but in a manner consistent with the thrust of the earlier models.

Van Maanen and Schein's interactional schema for studying work, self, and family issues can be considered a special case of the more general models of work-nonwork relationships. Their approach is based on the assumption that it is important to explore work and personal life issues in a context that recognizes the total life space of the individual. Instead of dichotomizing the world into work and nonwork or work and leisure domains (Kabanoff, 1980), Van Maanen and Schein posit three relevant dimensions: work career, self, and family. They conceive of these dimensions as developmental continuua, spatially modeled as a three-dimensional cube, which are

simultaneously relevant to all individuals. At any given time, individuals can be located at one point (or cell) in the cube according to the particular stages of work, family, and self-development they are currently experiencing. The particular significance of Van Maanen and Schein's schema for this discussion is their proposition that self-development issues should be considered separate from work and nonwork forces, rather than simply embodied in work and nonwork outlets. Equally useful is their recognition that the adjustment to work and nonwork roles occurs through time, and that the adjustment may change in either direction along the three continuua.

In summary, the literature on work-nonwork relationships yields two related approaches to the study of the issue. The more global model posits three patterns of individual accommodation, as indicated by the degree of self-investment (ego involvement) in the various roles, which can exist between work and nonwork behaviors and attitudes: spillover, compensation, and segregation. The second approach posits a self-development dynamic as a separate dimension in the pattern of accommodation of work and nonwork. This special case of work-nonwork models posits an interactional schema for capturing the *simultaneous* influences of work, self, and family forces on individual patterns of accommodation. Such patterns are subject to change over time, as individuals move in either direction along each developmental continuum.

This research effort differs from the bulk of research on work and nonwork by Near, Rice, and Hunt (1980) in that it examines psychological involvements in work and nonwork roles rather than the differences in levels of work and nonwork satisfactions or differences in the forms of work and nonwork role behaviors. The research reported here uses explicit measures of employees' self-investments in their work and nonwork lives. The data include measures of selected personal involvements (self-investments in nonwork roles), work-oriented involvements (self-investments in work-oriented roles), and overlap between work and nonwork involvements for a group of mid- to high-level federal employees.

This research explores the relationship between employees' work and nonwork involvements and tests Van Maanen and Schein's proposition that there is a separate "self" dimension that one must consider when modeling interactions between work and nonwork domains. Do these professional-level federal employees manifest

positive, negative, or the absence of a relationship between psychological involvements in these domains? Consistent with Champoux's (1980) and Staines's (1980) findings, these higher-level employees are hypothesized to sustain a spillover pattern of accommodation. A positive relationship would suggest a spillover pattern of accommodation. Negatively related role involvements would suggest a compensatory accommodation pattern. The absence of a relationship between work and nonwork involvements would suggest a segregation pattern of accommodation.

MEASUREMENT OF PSYCHOLOGICAL INVOLVEMENTS ARISING FROM WORK AND NONWORK DOMAINS

An initial measurement of employee psychological involvements within work and nonwork domains was conducted for a random sample of mid- to high-level bureaucrats (GS 9 through 18) in four federal agencies: the Civil Aeronautics Board, the Commission on Civil Rights, the Office of Management and Budget, and the Office of Personnel Management. Responses to the structured mail questionnaire (N = 345) were the basis for developing scales of employees' work and nonwork involvements (see Appendix).

WORK-ORIENTED INVOLVEMENTS[1]

Potential work-related involvements were measured in this analysis using 39 items drawn from previous research on employees' attitudes, including items that tapped organization identification and loyalty (Hall et al., 1970), organization commitment norms, work group attitudes and peer group cohesiveness (Buchanan, 1974), job involvement (Lodahl and Kejner, 1965), and professionalism (Hall, 1973).

NONWORK INVOLVEMENTS

The list of involvements that individuals may develop in their lives away from work is much too diverse to be thoroughly represented in a study of these proportions. Consequently, several potential sources

of involvement were selected a priori as representative of the more typical attachments these employees might develop in their personal lives. Individuals were asked if they invest themselves in social roles and individual activities related to family, friends, race/ethnic group, personal politics, personal talents, church, and personal philosophy. In all, 34 items were specially constructed to tap those focuses for self-investment.

Included in this group is Rosenberg's (1956) ten-item scale of self-esteem. Rosenberg's measure taps global self-esteem, and as such was deemed most appropriately categorized as a nonwork variable for preliminary scale construction purposes. Selected items from Spence and Helmreich's (1972) attitudes toward women scale were supplemented with specially constructed items to tap employees' identification with feminism. (Feminism in this context refers to the extent to which individuals support expanded roles for women in society or subscribe to the traditional gender role differentiation in society—for example, women's place in the home, men's place in the work world.) The feminism variable operates as a marker variable in this study, identifying individuals with nontraditional cultural commitments; it is one of the few nontraditional cultural values that is salient to professional-level employees these days.[2]

OVERLAP BETWEEN WORK AND NONWORK INVOLVEMENTS

To assess better the nature of relationships between employees' work and nonwork involvements, potential points of overlap between work and nonwork also were measured. A total of 25 items were used to tap whether employees experienced overlap between work and nonwork in their personal politics, personal ethics, family, friends, and profession. For example, employees were asked whether they found their personal politics, personal ethics, or professional standards to be in conflict with their work responsibilities. Employees also were asked whether their work responsibilities interfered with their family and friendship responsibilities and whether their families and friends approved or disapproved of the agency for which they worked. This potential for overlap was measured separately from work and nonwork involvements and thus constitutes a third set of variables in this research.

To summarize, the research conducted here focuses on three distinct sets of variables: work-related involvements, nonwork-

related involvements, and a third set measuring overlap between work and nonwork. Factor analyses were used to ascertain (1) the patterns of work and nonwork involvements salient for these employees and (2) whether such involvements are related between these two domains.

ANALYSES OF EMPLOYEES' WORK AND NONWORK INVOLVEMENTS

SALIENT ATTITUDES WITHIN DOMAINS

The results of the first factor analyses reveal nine separate dimensions that characterize the work, nonwork, and overlap of the involvements of these employees: two work-related, four nonwork-related, and three overlap dimensions (see Appendix). Brief summaries of the attitude dimensions that emerged within the domains are presented below. (Specific wordings of items that compose the separate scales are available from the author.)

WORK ATTITUDES

The factor analyses of work-related attitudes measured with the several scales reveal two dimensions of employee work-oriented attitudes, which account for 63% of the variance in the items. The first factor, Organization Commitment, reflects individuals' levels of identification with and loyalty to their employing organizations.[3] The second factor, Organization Commitment Expectations, taps employees' perceptions of prevailing organization norms for employee allegiance. Under the oblique rotation these two factors correlated at .50, indicating a strong positive relationship between an employee's level of organization commitment and the perception that such commitment is expected by the organization.

NONWORK ATTITUDES

Factor analyses of nonwork attitudes as measured by the several a priori items reveal four different dimensions of personal involve-

ments characteristic of this sample of employees. These dimensions represent separate bases for self-investment, in one's family (Family Involvement), in oneself (Self-Esteem), in one's race or ethnic group (Race Commitment), and in a nontraditional cultural commitment (Feminism). Together these four factors account for 60% of the common variance among nonwork involvement items. Only one moderate correlation exists among these factors; Family Involvement and Feminism are negatively correlated at the –.34 level. All of the other personal involvement dimensions are virtually unrelated to one another. The fact that self-esteem emerged as a separate factor and that it is not correlated with any of the other nonwork investments provide fragmentary evidence that Van Maanen and Schein's three-dimensional schema may be a useful framework for understanding the work and nonwork involvements of these employees.

OVERLAP BETWEEN WORK AND NONWORK

Analyses reveal three distinct dimensions of overlap between employees' work and nonwork involvements that account for 61% of the variance in these items. The Personal Relationships-Work Conflict dimension taps the extent to which individuals encounter conflicts when trying to meet both work and personal relationships obligations. For example, employees reporting high conflict on this dimension would respond "Yes, often" to the following item: "On the whole, would you say that you experience a lot of conflict between your personal life and the demands of your job?"

The Conscience Conflicts factor embodies employees' conflicts between work role and personal, professional, or political values. An employee reporting high conflict on this dimension would strongly agree with the following statement: "On occasion I have been angered by attempts made by this organization to influence my beliefs." The Friends' Disapproval dimension taps the extent to which employees' perceive friends' disapproval of their work organizations. An individual reporting friends' disapproval would strongly disagree with the following statement: "My closest friends tend to have very favorable atttitudes toward the organization for which I work." A moderate positive correlation (.39) exists between Conscience Conflicts and Friends' Disapproval, reflecting a consonance of personal values and

TABLE 1
Patterns of Employees' Attitudes Across Work and Nonwork Domains: Oblique Factor Pattern Matrix

Domain	Scale	Commun-ality	FACTORS: Organizational Involvement	Personal Life Efficacy	Cultural Commitments
Work	Organization Commitment	.79	.88	.01	-.07
	Organization Commitment Norms	.30	.57	-.11	.05
Overlapping	Conscience Conflicts	.19	-.33	-.15	.11
	Friends' Disapproval	.39	-.60	-.07	-.04
	Personal Relation-ships Conflict	.64	.14	-.82	.03
Nonwork	Self-esteem	.29	.20	.45	.04
	Family Involvement	.17	-.02	-.03	-.42
	Feminism	.51	.05	.03	.72
	Race Commitment	.04	.03	-.02	.19

friends' values. Personal Relationships-Work Conflict is virtually unrelated to either Conscience Conflicts or Friends' Disapproval factors.

PATTERNS OF ACCOMMODATION TO MULTIPLE INVOLVEMENTS BETWEEN DOMAINS

To explore the patterns of accommodation employees sustain among multiple involvements, a second oblique factor analysis was conducted using factor scores generated for the separate scales outlined above. The factor pattern loadings and the factor pattern correlations will give us insight into the patterns of work/nonwork accommodation these employees sustain. Three overarching dimensions of employees' multiple involvements emerged (with eigenvalues 1.0 or greater): Organizational Involvement, Cultural Commitments, and Personal Life Efficacy. Together these factors account for 55% of the total variance (see Table 1).

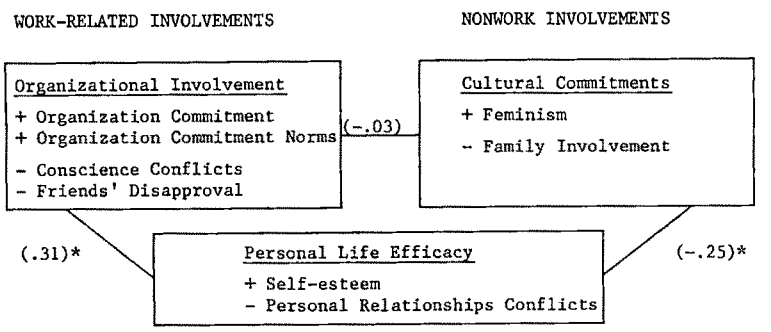
The Organizational Involvement dimension reveals a syndrome of attitudes that combine to reflect individuals' success or failure at integrating their organizational and personal values. This factor taps

the range of employee psychological involvement in the work organization, from positive to negative. It has four separate attitude scales loading at the .30 level or higher.[4] The positive end of the dimension is tapped by the organizational investment scales: Organization Commitment and Organization Commitment Expectations. The negative end of the dimension is represented by the scales that reflect a link between work and nonwork values: Conscience Conflicts and Friends' Disapproval

The Cultural Commitments factor taps personal commitments to cultural norms. The positive end of the dimension reflects a nontraditional cultural norm, feminism, defined as supporting expanded roles for women in society. The negative end reflects a traditional cultural norm: family as an important focus for self-investment. The factor loadings indicate that these employees are not likely to combine these self-investments. The third factor is labeled Personal Life Efficacy; the positive end taps self-esteem and the negative end reflects conflict between work and personal relationships—for instance, the extent to which employees report conflict between employment and personal role involvements. The structure of the Personal Life Efficacy factor indicates that high levels of self-esteem are more likely when personal relationships-work conflict is absent; conflict between personal relationships and organizational responsibilities are negatively related to self-esteem.

DISCUSSION

Of interest to this discussion are the relationships among work and nonwork involvements as revealed in the second factor analysis. What do the correlations among involvements reveal about the accommodation to work and nonwork that individuals sustain? Do these employees tend to segregate their psychological involvements (segregation), integrate their involvements (spillover), or compensate by psychologically involving themselves in one arena but not the other (compensation)?



*Significant at .001 level.

Figure 1: Connections Between Employees' Work and Nonwork Involvements (factor pattern correlation coefficients)

FACTOR PATTERN CORRELATIONS AS EVIDENCE OF WORK-NONWORK RELATIONSHIPS

A close look at the correlations among all the overarching factors reveals a complex pattern of relationships consistent with Van Maanen and Schein's (1977) three-dimensional schema of work, family, and self (see Figure 1). Three separate factors emerge that correspond substantively with those dimensions posited by Van Maanen and Schein.

An initial review of the factor pattern correlations in Figure 1 suggests that employees' work-oriented commitments are distinctly unrelated to their cultural commitments. The near zero correlation between Organizational Involvement and Cultural Commitments indicates that these employees segregate their personal involvements from their employment. Yet, one must not be too hasty to conclude a clean segregation between work and nonwork domains. Upon closer examination of the factor pattern correlations we find that Personal Life Efficacy acts as an indirect link between Organizational Involvement and Cultural Commitments; it correlates with each factor at .31 and –.25, respectively. Such a pattern of correlations

suggests that personal efficacy (self-esteem and the degree of personal relationships-work conflict) is a pivotal link in the relationship between work and nonwork psychological involvements. The results indicate indirect spillover relationships: a trouble-free link between organizational involvement and family involvement for people with higher self-esteem; and a troublesome spillover relationship between organizational alienation (negative involvement) and feminism for people with conflict between their personal relationships and work. In other words, these employees tend to report spillover relationships as hypothesized; however, there is more complexity here than the threefold typology of spillover/compensation/segregation accommodations can represent. Some employees have positive spillovers (trouble-free) and others have negative spillovers (troublesome).

PERSONAL LIFE EFFICACY AS PIVOTAL LINK

The moderate positive correlation between Organizational Involvement and Personal Life Efficacy (.31) and the negative correlation (–.25) between Efficacy and Cultural Commitments indicates an indirect spillover relationship between work and family involvement for employees with higher self-esteem. Individuals with high scores on personal life efficacy have high levels of self-esteem and low conflict between work and personal relationships. The positive correlation with Organizational Involvement indicates that these same individuals are also more likely than others to report high organizational involvement; the negative correlation with Cultural Commitments indicates that such people are also high in family involvement.

The positive relationship between self-esteem and organizational involvement and between self-esteem and family involvement suggests that the higher the self-esteem of employees, the greater their organizational involvement and the less difficulty they experience in sustaining multiple involvements in work and family. Such a linkage is indicative of a trouble-free spillover pattern of accommodation to work and nonwork. Such employees are likely to report little conflict with their agency responsibilities due to problems of conscience, friends, or personal relationships. Individuals' organizational and personal psychological involvements appear to be compatible; such

people experience minimal difficulty in sustaining multiple psychological involvements across work and nonwork domains. Of course, there is always the possibility that individuals have low conflict between work and nonwork because they have only minimal nonwork involvements (either by choice or necessity). However, the fact that personal relationships-work conflict is negatively related to family involvement indicates that the people with low levels of personal relationships-work conflict are individuals who have at least one significant nonwork involvement: their families.

These results indicate that not everyone has so smooth a time reconciling work and nonwork involvements. Some employees have a much more troublesome (negative) spillover accommodation experience than outlined above. Those employees who register low on the Organizational Involvement and low on the Personal Life Efficacy factors would feel organizational alienation, high levels of friends' disapproval, high levels of conscience conflict, high levels of personal relationships conflict, and low self-esteem. These correlations indicate that such an individual would also likely have a feminist cultural commitment. With such attitudes an individual might well question the value of continued employment or the value of personal relationships that are the focus of nonwork psychological involvements. Role changes in one or another domain or changes in levels of self-investment in the roles are possible responses to such circumstances.

The negative relationship between Personal Life Efficacy and Cultural Commitments (–.25) indicates that feminist individuals are more likely to suffer lower self-esteem than family-involved individuals and to report that personal relationships conflict with work. Such results suggest that the problems of reconciling work and nontraditional cultural commitments are associated with lower self-esteem. The simplest explanation for this relationship may lie in the fact that family-involved employees have (traditional) unambiguous avenues available for pursuit of their work and family priorities and consequently find themselves better able to sustain their multiple psychological involvements. The social support available for traditional values reinforces their self-esteem. On the other hand, feminist employees do not have clear guidelines for pursuing their nontraditional cultural commitment, (expanding the roles of women in

society), and face personal relationships-work conflict as a result. In other words, men and women with feminist commitments are more likely to lack clear avenues for the reconciliation of their psychological involvements in cultural commitments, personal relationships, and work roles.

These results give rise to two important questions. First, what are the differences between people who have trouble-free and those who have troublesome spillover patterns of accommodation? Second, what is it about personal efficacy that allows it to operate as a link between work and nonwork involvements? Contextual variables, such as the degree of seige or perceived external threat, have been noted as affecting work involvement (Romzek and Hendricks, 1982).[5] It may be that life stresses or perceived threats at work and home also affect the pattern of accommodation. Contextual, psychological, and demographic variables may account for differences between a trouble-free and a troublesome spillover pattern of accommodation.

Of the three types of variables mentioned above, only demographic variables are available in these data for analyses. Under cross tabulation, a surprising number of demographic variables fail to demonstrate a substantial and significant correlation with the patterns of involvements. Variables that are unrelated include age, marital status, gender, employee job level, parental status, and race. In other words, one's age, marital status, gender, race, job level, or parental status will not give us any clues as to whether that person is likely to have a trouble-free or troublesome pattern involvements in work and nonwork roles. Of those demographic variables that do exhibit a statistically significant relationship, the substantive impacts are uniformly modest and uninformative. These variables include educational level, length of tenure, and agency.[6] These relationships are so weak as to deserve no more than passing mention. Employees with ten or more years of tenure are somewhat more likely to report a troublesome spillover, suggesting that they have been there long enough for conflicts to emerge. Troublesome spillovers of involvements are more likely to occur among employees with four years of college or less than among employees with some graduate education. Most interesting of all is the finding that employees of the Office of Management and Budget are much more likely to report trouble-free involvements than employees of the other three agencies. This pattern suggests the need for further inquiry into contextual and

"individual differences" factors that may affect involvement patterns. Does OMB foster trouble-free involvements or does it tend to recruit people who because of personal characteristics are likely to manage trouble-free involvements?

FACTOR STRUCTURE AS EVIDENCE OF WORK-NONWORK RELATIONSHIPS

The Organizational Involvement factor structure also provides evidence of a link between work and nonwork domains, but at the more subtle level of values that underlie the commitment to work. The Organizational Involvement factor reflects individuals' success or failure at integrating their organizational and personal values. If successful at such integration, employees are likely to be committed to the organization, be conscious of the organization's expectations for employee commitment, have personal values consonant with organizational values, and have social support for their involvement from outside the organization, such as friends' approval of their place of employment. Alternatively, employees who are unsuccessful or unwilling to resolve conflicts between work and personal commitments are likely to be alienated from the organization and have unclear perceptions of organization commitment norms, high levels of conscience conflicts, and high levels of friends' disapproval of their place of work.

The strong negative loadings of these personal conscience and friends' attitudes on Organizational Involvement indicate that employees' work-oriented values are related to personal values. That friends' attitudes are important to employees' levels of organizational involvement suggests that some aspects of such involvement are beyond the direct control of the organization. For the organization, these nonwork values represent yet another dimension of uncertainty emanating from the environment.

SUMMARY

The three-factor solution has strong substantive similarities to the three-dimensional interactional schema posited by Van Maanen and Schein (1977), suggesting that accommodations to work and non-

work involvements are best understood when a separate self dimension is included in the model. Van Maanen and Schein posit a separate dimension for self-development, rather than the two-dimensional framework that focuses on self-investments in work and self-investments in nonwork without reference to a separate dimension for the employees' self-development concerns. This result is also consistent with the observations of Near, Rice, and Hunt (1980) and Staines (1980) concerning the possibility of "individual difference" variables, such as self-esteem or personality types, influencing patterns of accommodation.

Because these findings are based on correlational analyses, it is impossible to attribute causality to these relationships. But such a limitation does not diminish the importance of the finding that personal life efficacy is a pivotal link in the pattern of employees' attitudes. Furthermore, these findings suggest that models of individuals' psychological accommodations to work environments are incomplete if they ignore self-esteem and the possibility of influences beyond the work setting.

CONCLUSIONS

These factor pattern correlations suggest that the links between work and nonwork involvements for these employees are more complex than the two-dimensional spillover/compensation/segregation models of accommodation reflect. For these employees, no *direct* link exists between work and nonwork commitments, suggesting that these employees segregate their work and nonwork commitments. This segregation means that an individual's level of organizational involvement is irrelevant to his or her cultural commitments and vice versa. However, the search for patterns among employees' personal and work-related attitudes reveals that Personal Life Efficacy indirectly links Organizational Involvements and Cultural Commitments, resulting in a relatively trouble-free spillover accommodation for organizationally involved, high self-esteeming, family-involved individuals. A more troublesome spillover pattern of accommodation exists for individuals with high personal relationships-work conflict; they report low levels of

organizational involvement (alienation) and high commitment to feminism. The positive relationship between organizational involvement and personal life efficacy suggests that employees who are high in self-esteem are better able to balance their work and nonwork involvements than those low in self-esteem. Most likely this is a reciprocal relationship, with the ease with which one sustains work and nonwork involvements being important to an individual's self-esteem, and vice versa.

The particular relationships observed in these data contribute to a better understanding of the relationships between work and nonwork for a group of professional-level federal employees. At first glance these findings indicate a segregation pattern of accommodation to work and nonwork psychological involvements among these employees. Closer examination suggests indirect spillover relationships—trouble-free for family-involved individuals (with a traditional cultural commitment) and troublesome for feminist employees (with a nontraditional cultural commitment). The pivotal link between organizational involvement and cultural commitments is personal life efficacy, which is a function of self-esteem and degree of personal relationships-work conflict. Analyses of demographic variables indicate very weak relationships to patterns of accommodation. Psychological and contextual factors may be more fruitful sources of explanation for these patterns.

The results suggest that the model of accommodation to work and nonwork that limits its focus to two dimensions of individuals' involvements (work and nonwork) is underspecified. A third dimension, a self dimension (in these data, Personal Life Efficacy), is necessary to obtain a more accurate "reading" of the pattern of accommodation an individual exhibits. Such a pattern is consistent with the schema posited by Van Maanen and Schein (1977) denoting a three-dimensional framework for the simultaneous influence of work, self, and family forces on an individual. In these data, self-esteem acts as an indirect link between work and nonwork psychological involvements.

These analyses document the influence of personal values on psychological involvement in the workplace, as indicated by the fact that employees' personal values and friends' attitudes are strong components of Organizational Involvement. To the extent that organizational involvement is influenced by personal values and

friends' attitudes (influences that originate beyond the workplace), the organization must cope with yet another source of uncertainty from its environment. Models that seek to explain employees' work attitudes need to recognize the possibility of such external influences.

NOTES

1. Widespread interest in employees' work-related involvements is based on the recognition that formal organizations must command more than mere obedience to procedures in order to function effectively in an uncertain environment (Thompson, 1967). Research on employees' work-related involvements emphasizes psychological attachments to the organization, the job, and the work group (Romzek and Hendricks, 1982; Angle and Perry, 1981; Rabinowitz and Hall, 1977; Steers, 1977; Buchanan, 1974; Porter et al., 1974; Hall and Schneider, 1972; Hrebiniak and Alutto, 1972; Sheldon, 1971; Hall et al., 1970; Lodahl and Kejner, 1965).

2. Let me further clarify this notion of a marker variable by way of an alternative example. If these data had been collected in the late 1950s, a more appropriate marker variable would have been a scale measuring the extent to which individuals supported expanded roles for blacks in society. If the study had been conducted in 1968, questions about student activism would have been useful to tap subscription to a nontraditional cultural norm.

3. For example, a person whose factor scores were high on this dimension would strongly agree with the following statement: "If I could begin working over again in the same occupation as I'm in now, I would certainly choose the same agency as a place to work." This construct of commitment is consistent with, but not identical, to Buchanan's (1974) operationalization of organization commitment.

4. Because we are interested in evidence of relationships rather than conceptual clarity, we impose a less stringent cut-off point for interpretation (.30), than we did for initial scale construction (.50). For further discussion of interpretation of factor loadings see Kerlinger (1979).

5. A sense of seige was probably a factor in two of the four agencies in this study. At the time these data were collected, the status of the Civil Aeronautics Board and the Office of Personnel Management (then the Civil Service Commission) was undergoing legislative scrutiny. This eventually led to significant organizational changes in both agencies.

6. The dependent variable was constructed as a two-category typology of patterns of multiple involvements ("trouble-free"-positive spillover pattern and "troublesome"-negative spillover pattern). Statistical results for these analyses are as follows. Tenure (years of employment): 7.89 with 3 degrees of freedom, significance = .05; Agency: chi square = 9.93 with 3 degrees of freedom, significance = .02; Education: chi square = 3.83 with 1 degree of freedom, significance = .05

APPENDIX

POPULATION SAMPLED

The survey of employees' attitudes was conducted using self-administered paper-pencil questionnaires with direct mail return via prestamped and addressed envelopes to the researcher (who was at that time in Austin, Texas). Questionnaires were mailed to a total of 767 professional-level employees of the D.C. offices of the Civil Aeronautics Board (CAB), the Office of Personnel Management (OPM), the Commission on Civil Rights, and the Office of Management and Budget (OMB). The total sample was drawn at random from personnel listings, provided by the agencies, of employees at the levels of GS-9 through GS-18. Samples of 200 employees were drawn from the CAB, OPM, and OMB. At the time of the survey, the CCR employed only 167 people between levels of GS-9 through GS-18; all CCR employees at these levels were included in the sample.

One follow-up reminder was sent by mail to persons in the sample. The response rate was 45%. A comparison of the contact sample and the respondent sample reveals a lack of systematic bias among respondents along gender, agency, and job grade lines.

ANALYSES TECHNIQUE

The technique used to explore the relationships among these attitudes is common factor analysis with oblique rotation. The factor analyses were conducted in stages. First, separate principal component factor analyses were conducted on employee work-oriented involvements, and overlap between work and nonwork; these analyses were based upon a priori assumptions about which particular involvements would be likely candidates for dimensions of salience for professional-level employees. This first stage of factor analyses is best characterized as conceptual cleaning and data reduction. At this stage both orthogonal and oblique factor rotations were used as a check of one type of rotation solution against the other. Because the purpose of these analyses was conceptual cleaning, only items that loaded above .50 on both orthogonal and oblique rotations were retained in the analyses. For each of the work,

nonwork, and overlap factor analyses, the same factors emerged under orthogonal and oblique rotations, with the same items loading above .50 on each factor.

These results indicated that the factors that emerged from the analyses were separate dimensions, and that the type of rotation was irrelevant to the outcome. The items that did not load highly on either of the factor solutions were at best ancillary involvements of a few employees in the sample. Pruning these ancillary items from the analysis would not distort the subsequent search for patterns of accommodation to work and nonwork; hence, they were dropped from the analysis in the interest of conceptual clarity.

ORGANIZATIONAL INVOLVEMENT SCALE ITEMS* (Cronbach alpha: .73)

(1) If I could begin working over again in the same occupation as I'm in now, I would certainly choose the same agency as a place to work.
(2) I feel a strong sense of loyalty toward this organization.
(3) If I had my life to live over again, I would still choose to work for this organization.
(4) I feel a sense of pride in working for this organization.
(5) If another organization offered me more money for the same kind of work, I would almost certainly accept.
(6) Have you considered seeking employment elsewhere since you accepted employment with your present agency? #
(7) Managers in this organization are expected to have strong personal commitment to the organization itself.
(8) There is a feeling here that managers should develop personal commitment to this organization.
(9) There are no clear expectations in this organization regarding how committed managers should be to their work.
(10) On occasion I have been angered by attempts made by this organization to influence my attitudes and beliefs.
(11) I often encounter situations where my professional standards are in conflict with other agency programs.
(12) My closest friends tend to have very favorable attitudes toward the organization for which I work.

LIFESTYLE VALUES SCALE ITEMS* (Cronbach alpha: .46)

(1) The most important things that happen to me involve my family.
(2) Although my family is important to me, there are many other aspects of my life that are just as important.

(3) The major satisfactions in my life come from my family.
(4) Although personal friendships are an important part of life, family relationships are more important to me.
(5) Most women want and need the kind of protection and support that men have traditionally given them.

PERSONAL LIFE EFFICACY SCALE ITEMS* (Cronbach alpha: .49)

(1) I take a positive attitude toward myself.
(2) On the whole, I am satisfied with myself.
(3) I wish I could have more respect for myself.
(4) I certainly feel useless at times.
(5) I feel I do not have much to be proud of.
(6) I often worry about my job when I go home.
(7) To the extent that you worry about your job, do you find that such worries interfere with your personal relationships outside of work? #
(8) To the extent that you worry about your job, when you go home, do such concerns interfere with your family life? #
(9) On the whole, would you say that you experience a lot of conflict between your personal life and the demands made upon you in your job? #

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*Response categories for all three scales are in 5-point Likert format, ranging from strongly agree to strongly disagree.

#Response categories for these range from yes, often to no, never.

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The concept of bureaucratic responsiveness has been utilized by scholars in contradictory and incomplete fashion. This analysis considers essential elements of the general concept of political responsiveness to provide the basis for consideration of the unique components of bureaucratic responsiveness. The problems of specifying the parameters of responsiveness under any given conceptualization are addressed as a means of delineating the bases of disagreement regarding the meaning of bureaucratic responsiveness.

CONCEPTUALIZING BUREAUCRATIC RESPONSIVENESS

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Central to most analyses of representative democracy is the concept of responsiveness. Indeed, one of the most careful evaluations of democratic representation to date defines representation as "acting in the interests of the represented, in a manner responsive to them" (Pitkin, 1967: 209). For many scholars, responsiveness is the crucial test of democratic representation (Verba and Nie, 1972; Luttbeg, 1974) and bureaucratic responsiveness is a crucial component of the overall responsiveness of the political system.

Despite the obvious significance of the concept, analysts have been compelled to note that "responsiveness, as far as we can tell, rarely has been defined precisely" (Verba and Nie, 1972: 300), or that "responsive government is praised by almost everyone, though there is little consensus about the meaning of the term" (Schumaker, 1981:

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228-229). The lack of conceptualization is even more striking in regard to bureaucratic responsiveness. Despite the appearance of research in a variety of areas that raises questions about bureaucratic responsiveness, conceptualization has been so limited that analysts have sometimes defined responsiveness by what it is *not* (Salamon and Wamsley, 1975), have simply adapted conceptualizations that were developed in the legislative arena (Tucker and Ziegler, 1980), or have utilized some particular notion of responsiveness with no apparent consideration of other, equally valid, notions.

This discussion seeks to delineate essential elements of the concept in general, to explicate the possibly unique components of bureaucratic responsiveness, and to evaluate the problems of delineating the parameters of responsiveness under any given conceptualization. Consideration is given to the historical evolution of competing theories of bureaucratic responsibility that have spawned diverse, frequently contradictory, conceptions of responsiveness. As proponents of bureaucratic responsiveness so frequently employ conflicting conceptions of the term, it is hoped that this discussion might illuminate certain inherent limitations in our conceptualization of bureaucratic responsiveness that provide the basis for conflict and confusion.

ELEMENTS OF RESPONSIVENESS

As the literature on democratic responsiveness has developed over the years, it has become clear that any adequate conceptualization of responsiveness must address at least three central questions. Thus, definitions of responsiveness must establish the parameters of the concept by attention to the question of responsiveness to whom, to what, and in what form.

RESPONSIVENESS TO WHOM?

All notions of responsiveness assert some kind of interaction between "the people" and public officials or institutions, yet theory provides no basis for defining the relevant public. Two issues arise in

this regard: the question of the appropriate population to be considered in demanding responsiveness, and, within a given population, the question of the appropriate group to whom responsiveness is required.

As Waldo (1982) notes, the first question has been debated in other contexts as the problem of "appropriate inclusion" (Dahl and Lindbloom, 1953) and harks back to Hans Kelsen's perception that "the democracy of the part can be contrary to the democracy of the whole." Thus, it is argued, "doubts can therefore arise concerning the validity of democratic procedures when it is considered that, however impeccable democratic decision-making may be within a given community, the outcomes are in a sense determined by the previous and inescapably undemocratic decisions that defined the community in the first place" (Whelan, 1983). Hence, it can be shown that responsiveness to a particular geographically defined population may be achieved at the expense of responsiveness to some alternately defined population that may not have been considered for some purely arbitrary reason or perhaps for some distinctly undemocratic reasons.

Similarly, within a given population, questions arise as to whose interests engender a response. That is, should institutions be responsive to the interests of the mass public, voters, attentive elites, groups, or individuals? To some extent, decisions as to which population group is the most appropriate target of responsiveness will depend upon the model of democratic theory accepted by the analyst. Thus, for example, proponents of populist theories of democracy would be most likely to view the mass public as the only appropriate "public" to whom institutions must respond, and proponents of pluralist democracy would be more concerned about responsiveness to group interests.

RESPONSIVENESS TO WHAT?

The question of what aspects of a population's interests, wishes, or circumstances require a response suggests other problems. In general, the two major views as to the focus of responsiveness are that responsiveness is owed to the demands and preferences of the

designated population or to the public interest or public needs of a designated population.

Those who define democratic responsiveness in terms of "reflecting and giving expression to the will of the people" (Pennock, 1952) face difficulties in operationalizing the "will of the people." Is it reflected in articulated demands (Karnig, 1975; Ziegler et al., 1974), general public opinion (Verba and Nie, 1972; Hansen, 1975), or some combination of the two (Getter and Schumaker, 1978)? If articulated demands reflect the people's will, which of those must be met? All of them, even if contradictory (Pennock, 1952), or only the most intensely felt (Kendall and Carey, 1968)? Similarly, if responsiveness is owed to general public opinion, which opinions are relevant? Are only strongly felt majority opinions relevant? What response is owed to uninformed opinions, strongly felt minority opinions, or situations in which opinion is evenly divided? Is responsiveness a winner-take-all proposition, or does it require some attempt to balance competing claims and provide something for everyone? What meaning does it have when the public is apathetic or has no opinion?

One school of thought equates responsiveness with "reaction" and thus would confine assessment of responsiveness to those arenas in which public opinion has some content. One criticism of this view comes from scholars concerned with the ability of the political system to keep important matters off the agenda of public scrutiny and debate.[1] In such situations, they contend, public apathy or ignorance is itself a function of the overwhelming lack of responsiveness of the state (see Nordlinger, 1981). Hence, finding apparent responsiveness to public opinion where opinion is free to develop is grossly misleading as an indicator of the responsiveness of the system.

Another criticism of the "reaction" view of responsiveness is identified with the "independence" position in the "mandate-independence" controversy in representation theory (see Pitkin, 1967). This view postulates the possibility of responsiveness where there is no apparent public opinion or even where such opinion is at odds with the representative's assessment of the situation (Pitkin, 1967: 160-167; Eulau & Karps, 1977). This perspective assumes that the representative has a responsibility "to do what is best for those he represents" (Pitkin, 1967: 164), which entails an obligation to put "interests" ahead of "desires" where the two conflict or to pursue "interests" in the absence of "desires." Although it is assumed that

desires should carry a heavy weight in suggesting the interests of the public (Pitkin, 1967: 162), it is also assumed that the superior position of the representative provides him with a unique opportunity to ascertain the true interests of his constituents, or "what in the long run, with the benefit of hindsight, would have been preferred or would have contributed to the development of the individual into a person capable of making responsible decisions" (Pennock, 1979: 323). Hence, the overriding obligation of the representative is to respond to the interests or needs of those he represents, with the assumption that their preferences will provide guidance as to the nature of those interests. Where preferences are absent or ill-informed, responsiveness to objective interests or needs is required.

RESPONSIVENESS IN WHAT FORM?

The final conceptual element of responsiveness concerns the form in which responsiveness is provided. Again, considerable disagreement is evident, with positions ranging from the notion that the potential for responsiveness is all that is required,[2] to the notion that responsiveness is demonstrated only if tangible benefits accrue to the target population. Thus, responsiveness has been conceptualized at various times as opinion concurrence between representatives and the designated public (Verba and Nie, 1972; Gormley et al., 1983); procedural openness (Tucker and Ziegler, 1980); agenda setting (Tucker and Ziegler, 1980); or policy activities, ranging from advocacy of or support for specific policies during the decision-making stage (Davidson, 1967), to policy enactments (Karnig, 1975; Browning et al., 1983), policy implementation (Schumaker and Loomis, 1979), or policy impacts (Thompson, 1976; Dresang, 1974) congruent with the wishes or needs of the designated population.

Conceptual and operational problems arise in regard to each approach to responsiveness, spawning lively debate among researchers (see, for example, Schumaker, 1975; Sharp, 1981; Mladenka, 1981; Meier and England, 1984; Gormley et al., 1983). Those who focus on opinion concurrence must always deal with the issue of which opinions are relevant.[3] Is concurrence to be sought in regard to importance (agendas); preferences regarding specific policy alternatives, decision-making procedures, implementation and enforce-

ment of policies, or policy impacts? How much concurrence is required, over how many issues, subject to what qualifications? If, for example, the public agenda corresponds very well with many issues of minor importance to the public, yet ignores an issue of intense concern, is the system responsive? Is a responsive government required to fully reflect profoundly antidemocratic sentiments if such values are held by the public, or are certain norms and standards inviolate and absolute? If so, responsiveness is bounded by the primacy of other claims,[4] and any conception of the boundaries of responsiveness is dependent upon which claims are accepted as primary.

The most difficult problem is the potential lack of linkage between agenda responsiveness and policies (Gormley et al., 1983). If representatives' rankings of the issues facing government are completely congruent with the public's, but their actions on those issues are diametrically opposed to the actions the public would take, agenda responsiveness is reduced to little more than "symbolic politics" (Gormley et al., 1983). The possibility of such a contingency, coupled with the belief that opinion concurrence fails to capture the substantive, nonreactive component of Pitkin's conception of the role of responsiveness in a representative system, has led many analysts to the conclusion that opinion concurrence alone is not sufficient proof of responsiveness.

Analysts who look for something more than "potential" responsiveness, however, face even more complex problems. For whether responsiveness is conceptualized as policy adoptions (Schumaker and Getter, 1975; Weissberg, 1976; Page and Shapiro, 1983) or policy impacts (Thompson, 1976), analysts must still make some determination as to what responsiveness requires in terms of policies, and theory provides little guidance in that regard. How do we identify policies in those arenas in which "policy demands can be satisfied in different ways" (Weissberg, 1976: 137), or where demands are unstable, uninformed, or not apparent? Further, a lack of fit between policies and demands is not proof of unresponsiveness, because the legislator may have responded to constituency "interests" instead in that case.[5]

Thus, in examining the major elements of the concept of responsiveness, it becomes evident that the parameters of the concept have been poorly delineated and differentially understood. To a considerable extent, operationalization of the term has preceded adequate

conceptualization; hence researchers arrive at apparently contradictory conclusions about the nature and extent of democratic responsiveness in the contemporary system. Although these problems also plague conceptualizations of bureaucratic responsiveness, questions arise as to whether there are any unique conceptual problems associated with the notion of bureaucratic responsiveness.

BUREAUCRATIC RESPONSIVENESS

The major difficulty in delineating the boundaries of bureaucratic responsiveness is that of specifying one of two alternatives as the primary focus of administrative responsibility. One view holds that administrators owe primary responsibility to elected officials, who represent the public, and an alternative view holds that administrative responsibility is owed first and foremost to the public. The two views stem from alternative conceptions of the role of bureaucracy in democratic society, and each view leads to different notions of responsiveness, especially in regard to the outer parameters of the concept.

Justification of the first view is probably better known, owing to its linkage with the politics/administration dichotomy. It constitutes a largely procedural view of administrative legitimacy, with the interests of the public represented by elected officials, who then grant authority to the bureaucracy. Frequently referred to as overhead democracy, this view asserts that "democratic control should run through a single line from the representatives of the people... to their representatives in the Presidency and Congress, and from there to the President as chief executive, then to departments, then to bureaus, then to lesser units, and so on to the fingertips of administration" (Redford, 1969: 71-72). A variety of assumptions are implicit, including acceptance of the supremacy of the legislature (or elected officials in general) and a belief in the separability of politics and administration. Under this view, the bureaucracy does not "represent" the public in governmental deliberations, but rather serves as a tool for use by elected representatives.

Most clearly and strongly associated with Woodrow Wilson's (1887) famous treatise on administration and writers of the "science of administration" school (see also Finer, 1941; Hyneman, 1950;

Lowi, 1969), this view provides the groundwork for the politics/administration dichotomy and norms of neutral competence within bureaucracy. Hence, "politics—through chief executives and legislature—was responsible for establishing ends; administration—through permanent executive organizations—should provide merely neutral means to those ends. Good administration would involve the apolitical application of technical competence to politically defined ends" (Walsh, 1978: 38). Thus, bureaucratic responsiveness is owed to elected officials, who provide representation of the people.

An alternative perspective on the role of bureaucracy in democratic systems is evident in constitutional history, contemporary political theory, and public administrative theory. As is developed by Rohr (1983),[6] this perspective is evident in the Federalist Papers and in the ratification debates, where arguments were broached to deny the supremacy of the legislature. Rather, the view was advanced that supremacy rests with the people and the object of their choice as sovereign people is "not a group of legislators who will carry out their will," but rather "a constitutional order which balances the powers they have delegated to three equal branches" (Rohr, 1983: 6). Thus, elections become "merely a method of choosing, not a method of authorizing" (Storing, 1976; cited in Rohr, 1983: 6) and all officers, elected and unelected, are representatives of the people even though their constitutional duties may differ. Such "political" perspectives on administrative responsibility were notable during the New Deal period and in part reflect Long's observation that "however attractive an administration receiving its values from political policy-makers may be, it has one fatal flaw. It does not accord with the facts of administrative life."

A similar perspective on the bureaucracy's role is evident in pluralist theories of American government. Truman (1955: 502), for example, argues that "the executive branch of government in the United States normally exhibits a diffusion of leadership and a multitude of points of access comparable to that in the legislature.... Dispersed leadership and multiple points of control within one branch reflect and reinforce similar patterns in the other." Dahl (1955) makes the same point, ascribing representational functions to the bureaucracy that are equivalent to the representational functions performed by the legislature or other elected officials.[7]

For some, the bureaucracy's role in this pluralistic system should be modeled along the lines of political pluralism. Hence, groups that

obtain sufficient support within the population may obtain their own niche within the bureaucracy, which will then advance the interests of that group in the process of governmental bargaining and compromise. It can then be argued that "if each agency so responds, the result will be a richly competitive bureaucratic pluralism"—which ultimately leads "the political system to outcomes in a perfect public interest." (Salamon & Wamsley, 1975: 153).[8] Even here, there is some disagreement as to how responsiveness would work. Although some would have administrative responsiveness extend to battling as an equal with the legislature or other elected officials, others would have agencies respond to various interests and become adversaries with each other, leaving resolution of conflicts to the legislature (Redford, 1969).

Other scholars agree that "the bureaucracy is not just an instrument to carry out a will formed by the elected Congress and President" (Long, 1952: 810), but feel that the representational role performed by the bureaucracy should differ from that performed by elected officials. Long (1952: 811-813), for example, argues that "important and vital interests in the United States are unrepresented, underrepresented, or malrepresented in Congress." Further, he argues that members of the civil service "are likely to be more responsive to the desires and needs of the broad public than a highly selected slice whose responsiveness is enforced by a mechanism of elections that frequently places more power in the hands of campaign-backers than voters." This view, which has appeared at regular intervals in the history of public administration, would require primary bureaucratic responsiveness to groups, especially the socially disadvantaged, that traditionally have been underrepresented in elective channels. Hence, bureaucratic responsiveness is defined by the omissions or failures of legislative responsiveness.

Still other analysts have delineated a unique role for the bureaucracy in the political system in charging it with primary responsibility for responding to the public interest. This perspective is most notable in conceptions of administrative statesmanship, which contend, for example, that "for all its limitations, (the bureaucracy) does introduce into the political system elements of stability, intelligence, and equity that are not altogether dissimilar to the qualities intended to be provided by the original Senate" (Storing, 1980: 104), and that "our administrative organization must be adapted to the public interest and not arranged to suit the contradictory pressures of special

interests" (Herring, 1934: 200). Thus, "the administrative hierarchy is an organ receiving messages of popular demands, many of them contradictory. It is an organ responding to such demands, reconciling them, and in the course of response injecting considerations of prudence, perspective, and principle, including regard for other popular demands and aspirations than those expressed in the chorus of the moment" (Appleby, 1965: 338). What is needed, then, is an administrative class "resembling Plato's Guardian Class" (Waldo, 1948: 97) and bureaucratic responsiveness is primarily a question of responsiveness to the public interest.

Because administrative theory has developed in a vacuum created by the lack of attention paid to bureaucracy in the Constitution (Wilson, 1975), we now have a system in which "some feel that administrative agencies are responsible for achieving desirable social purposes and may have to fight for them in the legislative arena. Others think administrative agencies should confine themselves to getting their assignments done within the policies established by the legislative body" (Leiserson and Morstein Marx, 1959: 33). The theoretical legitimacy of such diverse views poses unique problems in conceptualizing bureaucratic responsiveness. For although evaluations of legislative responsiveness must consider thorny issues of defining the interests and desires of the public, evaluations of bureaucratic responsiveness must consider all those issues plus issues related to the interests of elected officials. Further, the existence of divergent views of bureaucratic responsibility raises troublesome questions in discerning how the major elements of responsiveness are applied in the bureaucratic setting. Some of those problems shall be discussed here in considering the elements of responsiveness under each conception of bureaucratic responsibility.

RESPONSIVENESS TO ELECTED OFFICIALS

Distinguishing the parameters of bureaucratic responsiveness is not quite so overwhelming if it is assumed that interest representation is the task of elected officials. If elected officials are supreme, the bureaucracy need only turn to those officials for resolution of conflicts concerning the appropriate level of inclusion or the scope of

bureaucratic responsibility. However, although the outer boundaries of responsiveness are more clearly delineated, there are still certain difficulties in conceptualizing responsiveness to elected officials.

Among such problems is that of determining which elected officials are owed responsiveness. At the federal level, the bureaucracy exists in relation to an elected Chief Executive and two houses of Congress, and, as Millett (1983: 232) and others have demonstrated, theory, law, and practice have all indicated "some confusion in fixing the respective relationship of legislature and executive to administrative agencies." The problem of specifying which elected officials are superior to the bureaucracy cannot be resolved by appeal to constitutional principles (Millett, 1983), and thus continues to pose problems for conceptualization of bureaucratic responsiveness, especially when executive and legislature disagree. Those who hold that bureaucratic responsiveness is owed to the legislature face similar problems in specifying which part of the legislature must be considered: both houses, a majority of legislators, key committees, or even individual legislators? Intergovernmental relationships add additional complications in that regard.

Even if agreement can be reached as to which elected officials the bureaucracy should respond, questions arise as to what aspects of the wishes or needs of those officials should be considered. If response is to be geared to the expressed wishes and needs of elected officials, some determination must be made as to which source is to provide definition statement of those wishes. In numerous instances, the written legislation, committee debates and hearings, correspondence and conversation with elected officials, and official oversight documents all provide conflicting views on congressional wishes. Legal constraints on agencies, forcing them to adhere to congressional intent, would avoid these problems by having agencies distill the overarching congressional intent from the mass of demands stated by Congress. However, it would appear that legislators are often just as capable as the public of sending conflicting signals regarding their wishes, for agencies have always encountered problems in ascertaining a clear, unequivocal congressional intent (Rosen, 1982; Nigro and Nigro, 1983: Chap. 5).

Added to these difficulties is the fact that Congress adheres to a variety of substantive expectations regarding bureaucratic behavior, and expects the bureaucracy to be responsive to those substantive

expectations as well as to specific policy enactments. To a large extent, these standards suggest the forms that Congress expects bureaucratic responsiveness to assume, and different forms have been emphasized at different times. Hence, at various points in time, congressional expectations have emphasized fiscal accountability or efficiency in administration or have defined responsiveness in terms of good-faith efforts to adhere to congressional wishes or simply as enactment of programs legislated by Congress. In other cases, Congress may suggest that an agency's sole responsibility is amelioration of a particular public problem, with responsiveness measured by successful resolution of the problem.[9] Conflicting standards are ubiquitous (see Wilson, 1967): enabling legislation may assign an agency a particular public purpose that comes to be hemmed in by competing standards of economy, effectiveness, procedural due process, individualized responsiveness, and so on. What is required of a responsive agency in meeting such conflicting congressional demands is not clear.

Familiar problems also arise in delimiting administrative responsiveness when congressional intent is unclear or mandates are broad. The trend over time has been to provide larger and larger amounts of discretion to administrative agencies. Such grants of discretion may reflect congressional inability to resolve major issues before passage of the legislation; deliberate buck-passing on the part of Congress; failure to anticipate a particular situation; or simply deferral to administrative expertise. In any case, it is much more difficult to adhere to a "reactive" definition of responsiveness in such situations because it is clear, in most cases, that Congress expects the agency to do something, but is unwilling or unable to provide specific instructions. What does bureaucratic responsiveness entail in such situations?

In some cases, Congress previously may have suggested some alternative groups whose wishes should be considered. Thus, as Pennock (1979: 310) notes, "the circumstances attending the grant of administrative authority, especially the basic legislation, committee reports, and legislative debates, may indicate that the wishes of a particular segment of the polity, perhaps a particular industry, are to be given exceptional weight. Or they may suggest that the representative role of the administering agency should veer sharply away from the responsiveness-to-desire pole toward that of estimation of the public interest."[10]

However, congressional guidance on the topic is frequently limited or unclear. Yet, if administrators are subordinate to elected officials but responsiveness is not purely reaction, problems arise in determining the limits of responsiveness. How much entrepreneurship can the bureaucracy demonstrate and still be "responsive"? If bureaucratic responsiveness is more than reaction, the line between responsiveness and autonomy may be very faint at times and subject to varying interpretations. Thus, as Waldo (1948: 58) notes, " 'managers' and 'administrators' have overrun the realm of policy—as the British conquered India—not by intent and plan, but by a continuous process of 'tidying up the border.' "

More significant theoretical problems arise in determining standards of bureaucratic responsiveness if the larger system of overhead democracy is seen as deficient. Questions arise as to whether strict adherence to the directives of elected officials is a sufficient requirement for bureaucratic responsiveness in democracy if elected officials are blatantly unrepresentative of or unresponsive to the public, or if they engage in manipulation or willful deception of the public. Need bureaucrats concern themselves only with their part of the linkage, or do they have responsibilities to the overall system of responsiveness? Marxist and other critical evaluations of the American political system raise troubling questions about bureaucratic responsiveness (Piven and Cloward, 1971; Tabb and Sawers, 1978) in an unjust or oppressive system,[11] and the potential problems have been considered in evaluations of bureaucratic ethics, with mixed conclusions. The problem and its ramifications will be considered in more detail in discussing bureaucratic responsiveness to the public.

RESPONSIVENESS TO THE PUBLIC

As noted earlier, elected officials may require bureaucratic responsiveness in very narrow or very broad terms, with the problems of delineating the boundaries of responsiveness becoming more complex as the definition is broadened. At those outer limits, responsiveness to public officials poses problems that differ only in degree from the conceptual problems associated with responsiveness when the bureaucracy is viewed as an equal to the legislature. If the bureaucracy performs a representative function that is independent of elected

officials, conceptualizing bureaucratic responsiveness is a much more complex matter and problems associated with each element of responsiveness are evident.

As Krislov (1974: 9) argues in regard to the representativeness of the bureaucracy, the issue "is the proper relationship of a bureaucracy to the broader social system." His questions about bureaucratic representation are equally valid in regard to bureaucratic responsiveness:

> Is there any ideal relationship between the social composition of a society and that of its administrative units? Should a bureaucracy be in some sense representative of sectors of the system, as—in perhaps some more express way—we expect legislatures to be? To what extent, if any, is such a notion compatible with the more standard and professional values of efficiency and neutrality in political policy making?

Similar questions can be raised about virtually all aspects of agency activities. Hence, if the bureaucracy has direct obligations to the public, unencumbered by legislative proscriptions, then the bureaucracy must grapple with the question of the appropriate level of inclusion in designating the targets of its policies.[12] In this regard, the array of potential target groups is more diverse than that confronting elected officials. Agencies may be expected to respond to the public at large, the agency's constituency, all individuals affected by a policy, the socially disadvantaged, immediate clientele of the agency, or individuals who deserve an exception to agency rules. Yet no definitive theoretical basis has yet been provided to single out one set of claims as more deserving of bureaucratic responsiveness in a democratic system,[13] and responsiveness to a particular population frequently precludes responsiveness to another population. This issue is evident in long-standing debates about metropolitan government, citizen participation, and public choice approaches to service delivery.

Similarly, problems arise in defining the appropriate targets of responsiveness within a given population. Viteretti (1983) has clearly delineated the difficulties that arise in distinguishing between constituency and clientele as the target of responsiveness, especially where the needs and desires of the two so frequently conflict. Others have expressed concern as to whether responsiveness should be

geared to the actual users of public services or to all potential users of those services. Here again, the distinction may be crucial in assessing responsiveness in that responsiveness to actual users may be enhanced by bureaucratic actions that "screen out" or discourage difficult or hard-to-please clients (Katz et al., 1975; Nelson, 1980).

Even if a target population can be specified, problems arise in deciding which aspects of the wishes or needs of that population should be considered by administrators. Debates about the "proper" role of public opinion in bureaucratic deliberations have always been a part of public administration (Powell, 1967), with most analysts reaching rather pessimistic conclusions about the ability of the public to provide intelligent opinions. However, the pendulum obviously swung in the direction of responsiveness to public opinion during the 1960s, with emphasis on citizen participation.

Logic would suggest that an independent bureaucracy performing representative functions should be more concerned with the public's wishes than would a bureaucracy dependent upon elected officials for interest representation. It has been argued, for example, that a major "test" of the extent of representation in bureaucracy is the extent to which the quality of decisions "accord(s) with what is presumed to be public opinion" (Krislov, 1974: 37). However, the extent to which bureaucratic adherence to public demands should mirror the role of public opinion in legislative deliberations is an open question. It certainly becomes more difficult to apply an "instructed delegate" conception of representation to administrators selected according to competence and expertise who are making decisions on complex and technical issues. At the same time, should administrators not subject to popular control, yet intimately involved in value-laden policy-making, be free to develop a purely "trustee" orientation to decision making?

Public administration theory and practice generally has been more supportive of a trustee orientation, defined in terms of expertise or statesmanship. Responsiveness to the public interest, as noted earlier, has always been a much venerated objective of public administration. Thus, Herring (1936: 23) could argue that "the *public interest* is the standard that guides the administrator in executing the law" and "is to the bureaucracy what the 'due process' clause is to the judiciary." Indeed, the standard is frequently part of the agency's legislative mandate and the individual administrators' oath of office. In recent

years, however, as Krislov (1974: 35) notes, deference to expertise has been tempered by the "realization that public choices necessarily involve consequences for individuals." As a consequence, professionalism may prove "only a partial justification for decisions." The question remains as to where the balance should be struck in the delegate/trustee continuum.

Regardless of what wishes of the population are considered, serious questions arise as to the nature of constraints on the bureaucracy's representative function if that function is coequal to the representative function performed by elected officials. If the parameters of bureaucratic responsiveness to the public are not set by elected officials (or are set very broadly by those officials), what are the boundaries of bureaucratic responsiveness? As Warwick (1981: 97) states the question in terms of policy purposes, "should administrative responsibilities regularly be 'up for grabs' by skilled operators, or do assigned responsibilities have some moral claim?" Similar questions might be raised about organizational structures, the amount and deployment of resources, operating procedures, and so on, all of which might interfere with responsiveness to any given population or substantive issue. Is the bureaucracy to accept existing social, political, and organizational constraints as givens and then seek to maximize responsiveness within those constraints? Or is the bureaucracy obligated to challenge any and all constraints that impede responsiveness? To what extent and in what fashion?

These issues have always troubled those who see inequities and biases in existing political and social structures and assert that perfect responsiveness within those constraints is at best ineffective and at worst deceptive or manipulative. For example, is prompt and thorough investigation of citizen complaints an adequate measure of responsiveness (Mladenka, 1981; Bachelor, 1983) if the administrators involved know there is no money available to ameliorate the problems, and they make no effort to obtain additional funding? What is required of responsive administrators faced with resource constraints that are a function of tax-avoiding incorporation strategies of neighboring jurisdictions? What does responsiveness mean in the face of societal inequity? Brown (1981: 122) alludes to this difficulty in regard to police work when he notes, "the quality of police-citizen encounters is only a minimal problem for the upper and upper-middle classes, for in these communities the police perform a

host of minor services and act to keep unwanted intruders out. In the inner city, on the other hand, the police act to paper over the internal contradictions of American society—to contain the consequences of a society characterized by pervasive inequality among social classes and the intransigence of racism."

Recognition of societal inequities, whether political or social, poses severe problems for conceptualization of bureaucratic responsiveness, for a narrow conceptualization of responsiveness that accepts existing constraints can always be charged with unresponsiveness to the public interest or democratic standards of equity in its failure to alter the overall pattern of inequity. But how culpable is the bureaucracy for systemic inequities? For many administrators, even today, the politics/administration dichotomy and deference to elected officials allow avoidance of the issue, as broadly defined equity questions are considered social issues that must be decided by elected officials (Gormley et al., 1983). For others, value-laden decisions are continually redefined as technical issues that are presumably resolved on an "objective," neutral basis (Stone, 1980). For many other scholars and practitioners, there is no comfortable solution.

At least in the area of constitutional rights and equal protection claims, the judiciary has moved to hold administrators responsible for substantive outcomes (Rosenbloom, 1983). Further, although judicial interpretations of individual rights and equal protection requirements have varied considerably, the courts have tended to emphasize these rights over the costs involved in securing them. As Rosenbloom (1983: 223) notes, at least "one court said, 'inadequate resources can never be an adequate justification for the state's depriving any person of his constitutional rights.' " Thus the courts have moved to define some substantive rights for which resource constraints are no defense for unresponsiveness.

Analyses of bureaucratic ethics have also dealt with such questions, at least in passing, and call for bureaucratic responses to such situations ranging from relatively mild, whistle-blowing actions to open disobedience. Thompson (1980: 914), for example, argues that bureaucrats who are confronted with organizational routines that engender morally questionable behavior "acquire, as do other officials who work within defective structures, a special obligation to call attention to the defects, even if they cannot correct them." Moore

(1981: 10), on the other hand, argues that "on some occasions, when there is a compelling need that they can satisfy, and when there is reason to be distrustful of the process that would authorize action, officials may even be under some obligation to risk violating process obligations on behalf of the overriding obligation to serve the public interest." Bureaucrats concerned about such issues have developed numerous strategies to counteract perceptions of social or political unresponsiveness. Such activities were notable during the 1960s and early 1970s and included such responses as formal protests, direct appeals to the public, internal sabotage of programs, or even overt disobedience. The lack of agreement as to the acceptability of any or all such activities ony highlights the problems in establishing the boundaries of bureaucratic responsiveness.

CONCLUSIONS

Numerous conflicting traditions regarding the boundaries of acceptable bureaucratic behavior in the name of responsiveness persist in both the theory and practice of American public administration. For some, responsiveness means sympathy and compassion (Thompson, 1975), or meeting "with alacrity and compassion, those cases which can never be brought under a single national rule and which, by common human standards of justice or benevolence, seem to require that an exception be made or a rule stretched" (Wilson, 1967: 4). For others bureaucratic responsiveness means matching bureaucratic outputs as closely as possible with expressed client wishes, within previously defined and accepted jurisdictions. Some would have administrators hew closely to the directions of elected officials, demonstrating initiative only in circumscribed areas. Others would expect bureaucrats to engage in bargaining, coalition building, and negotiating in responding to public needs; and still others would expect a truly responsive bureaucracy to challenge, confront, possibly even deceive elected officials and existing political and social institutions in responding to public needs or democratic ideals.

There are strong theoretical traditions to support all of these views. The major differences regarding conceptions of bureaucratic responsiveness, as noted, stem from competing views as to the primary

source of administrative responsibility. Hence, if it is assumed that the public has a direct relationship with the bureaucracy, then bureaucratic responsiveness is a more complex phenomenon and encompasses more "political" activities than is the case if elected officials are the sole representatives of the public in the governmental system. However, even if elected officials are considered controlling forces, those officials may assign responsibilities in such a way as to give bureaucratic responsiveness a broader meaning.

Numerous empirical studies suggest the richness of the concept in the practice of public administration: Responsiveness is provided to different groups, in different forms, under differing conditions. We know, for example, that the type of responsiveness seems to vary with the "climate" of the agency or community (Romzek and Hendricks, 1982; Wilson, 1969; Rossi et al., 1974); that the nature of the ties between administrators, executives, and legislators affects the scope of agency responsiveness (Thompson, 1975; Arnold, 1979); that professional values affect individual administrator's perspectives on responsiveness (Altshuler, 1965; Mann, 1976); and that the type of policy involved influences the scope and nature of agency responsiveness (Stone, 1981). However, these and other findings suggestive of the causes of variation in responsiveness arise out of widely divergent literatures and, as yet, little is known about the interrelations between causative factors or their relative impacts on responsiveness. Few have attempted to examine the linkages between different forms of responsiveness (cf., Gormley et al., 1983) or the patterns of types of responsiveness likely in different agencies or in single agencies over time (cf., Salamon and Wamsley, 1975; Lowi, 1978).

Further, many studies of bureaucratic responsiveness have tended to adopt a narrow definition of responsiveness that overlooks the more complex aspects of the concept as it applies to bureaucracy.[14] The concept of bureaucratic responsiveness is necessarily more complex than that of legislative responsiveness. This is partly a function of the presence of two major conceptions of responsibility that influence definitions of bureaucratic responsiveness and partly a function of the strong tradition of public interest responsiveness that permeates administrative theory in America. All these possible conceptions of bureaucratic responsiveness must be considered if we are to understand the patterns of administrative response found in

society. Such understanding would be enhanced if scholars were to develop a greater sensitivity to the complexity of the concept of bureaucratic responsiveness along with an increased willingness to examine alternative conceptualizations.

NOTES

1. The work on "nondecisions" (Bachrach and Baratz, 1962) is relevant here, as is much of the antipluralist work in general.

2. Eulau and Karps (1977) evaluate Pitkin's position in this fashion, and most congruence studies of responsiveness accept this view.

3. Schumaker (1981: 229) considers this problem in some depth. The categories utilized in this discussion come from his analysis.

4. Pennock (1979: 323) argues that all weighting of alternative claims of interest and needs must take place "within the framework of what the society in question has established (whether or not in the form of a written constitution) as proper for the state to do."

5. Ideally, analysts could identify policies that matched citizen interests, rather than demands. However, doing so has been more difficult than expected. See, for example, Eisinger's (1982) critique of Welch and Karnig (1979).

6. This paragraph relies heavily on Rohr's analysis.

7. See Yates (1982) for more extensive consideration of this theoretical view.

8. The authors criticize this view as being simplistic and unrealistic.

9. Fesler (1980) notes that congressional evaluations have shifted focus increasingly to program effectiveness.

10. In fact, legislation may require both a broad and a narrow view of constituency. Legislative language may suggest programmatic responsiveness to a particular constituency, and cross-cutting mandates in the same legislation may require responsiveness to broader interests.

11. Obviously, Weber, Michels, and others of the classical school of organization theory were very much concerned about such problems (Mouzelis, 1968).

12. Indeed, this is also true to some extent if the legislature is dominant. As Salamon and Wamsley (1975) note, bureaucrats frequently are afforded discretion in designating the target population in the implementation process.

13. As noted earlier, some theories have purported to develop a democratic system from responsiveness to particular populations. Thus, pluralists would demonstrate the production of a healthy democracy from responsiveness to group interests, and public choice theorists would resolve the level of inclusion problem by recourse to economic maxims, allowing for responsiveness to be defined in purely market-exchange terms. In either case, challenges to the theoretical framework developed raise questions about the superiority of that particular definition of the appropriate level of inclusion.

14. See Sharp (1981) and Mladenka (1981) for clear statements of these oversights.

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This brief article argues that contemporary public administration theory and practice can be well served by the competition between two opposing paradigms, each claiming the status of a disciplinary Weltanschauung. *The two approaches in question, one reflecting pessimistic and the other optimistic views on the potential for societal betterment via the improvement of governmental administrative organizations and practices, are well reflected in the works of Vincent Ostrom and Robert T. Golembiewski and their respective kindred spirits. Because the issues that divide these two approaches are central to the question of proper democratic governance in the postindustrial age, the* potential *exists for a creative contribution to social life by public administration theory.*

CONTENDING PARADIGMS IN PUBLIC ADMINISTRATION A Sign of Crisis or Intellectual Vitality?

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This article sets forth the argument that contemporary Public Administration[1] theory and practice can be well served by the existing competition between two opposing "paradigms,"[2] each claiming the status of a disciplinary *Weltanschauung*—providing that research and critical thought stimulated by the differing ontological, epistemological, and normative elements of these paradigms are carried out in a creative and professional manner. In making this argument, the concept of paradigm will be discussed, its role in Public Administration theory and practice assessed, and a "post-Kuhnian" (Ball, 1976) understanding of social science paradigms applied to recent theoretical work in Public Administration.

In applying paradigmatic analysis to contemporary Public Administration theory it will be argued that two prominent world views are

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in evidence within the discipline—world views that are not only at odds but also fairly well developed in terms of supportive conceptual and empirical literature. These views are sufficiently developed to constitute paradigms in a Kuhnian sense, and each has a prominent spokesman who has provided a well-considered argument in support of his position (see the Ostrom/Golembiewski exchange in the *American Political Science Review,* December 1977). It will be argued here that the points of view of these two major figures differ with respect to several crucial "unexamined assumptions" pertaining to the degree of optimism or pessimism toward the creative use of people and organizational ideas in public agencies to accomplish the ends of democratic government.

The option of replacing these two major paradigms with a simultaneous pursuit of many "miniparadigms" is also considered (Golembiewski, 1977). The position taken here is that both a search for stronger public management techniques via the development of miniparadigms, and the development of a thoughtful *research program* testing unexamined assumptions underlying these major paradigms, can be pursued with profit. It is argued that much of the conceptual and empirical work done on the basis of these two paradigms has been more "advocative" than useful, and that a dedication to developing a systematic research program among Public Administrationists will help promote an understanding of what is doubtless our most pressing contemporary concern. As Dwight Waldo (1980: 46) pointed out in his valedictory to Public Administration after some forty years of scholarship:

> Our professional and personal interests have led us to pay too little attention to the limits of administration in general and public administration in particular. This is understandable. For many reasons, improving the effectiveness and efficiency of public administration presented itself as the central if not the sole objective, and for obvious reasons all disciplines and professions are more interested in expansion than in limitations. But we need now to attend carefully to the limits of administration, not only as a matter of social responsibility but as a matter of professional protection and advancement. For if public administration is not knowledgeable and honest about its limitations, it will inevitably suffer not just for its sins of waste and ineffectiveness but from the bitterness of faith misplaced and hope unfulfilled.

These remarks bear directly upon the question of "overload" and the governability of modern democracies. The Report to the Trilateral Commission on the Governability of Democracies (1975) has observed that "the demands on democratic government grow while the capacity of democratic government stagnates. This, it would appear, is the central dilemma of the governability of democracy which has manifested itself in Europe, North America and Japan in the 1970's."

It must be noted, of course, that some of the problems of governability in postindustrial societies likely have more to do with limitations of regime and of public and private morality than with administrative capacity. Nevertheless, it is undeniable that a proper understanding of the limits and potentialities of administrative knowledge will be crucial to our efforts to cope with the challenge of governance in the age of advanced technology and pervasive interdependence. It is particularly fortunate that contemporary Public Administration theory has witnessed a debate between advocates of an optimistic and a pessimistic view of the administrative capacities of government. It is argued here that an open-minded, pragmatic research program based on these two paradigms can do much to guide our search for answers to the questions highlighted by Allen Barton in the perceptive passage to follow. Upon noting that the 1970s witnessed a broad-based perception that many if not most "new society" programs proved to be too costly, too intrusive, and too much oriented to the needs of service providers as opposed to service recipients, Barton (1980: 27-28) asks:

> Does this mean that we should give up on government as a means of solving social problems and urge instead voluntary action, utopian communities, or reliance on the profit motive of private enterprise? And if these do not work, should we lower our aspirations and face up to the tragic view of life—or at least of other people's lives? Or can ways to be found to get government bureaucracy to work better?

Whether means exist to improve significantly the operation of public agencies and to enhance the administrative capacity of government, or whether we have reached the outer limits of improvement and need to focus upon trimming back the scope of government, may indeed be among the central concerns of both contemporary Public Administration theory and present-day thinking about postindustrial society. It

is argued in this article that contemporary Public Administration has the potential to be of great service to the cause of just governance if appropriate means are undertaken to resolve the issues separating its two major contemporary paradigms.

PARADIGMS IN SOCIAL SCIENCE

In recent years familiarity with the work of Thomas Kuhn has spread throughout the social sciences, including Public Administration. Theorists of diverse views have embraced Kuhn's argument that scientific disciplines cannot progress without the development of a single, comprehensive world view, and that one reason for the lack of dramatic progress in the social sciences generally is that they typically suffer from "a crisis of identity" with respect to their proper scope, methods of analysis, and objects of attention. Whether it be the conservative approach of the public choice-based "Democratic Administration" (Ostrom and Ostrom; 1971, Ostrom, 1973; and Ostrom, 1983), or the liberal perspective of the new Public Administration-based "Action Theory for Public Administration" (Bellone, 1980; and Harmon, 1981), the claim is the same: Public Administration cannot progress without an appropriate paradigm.

This belief, although quite common in many quarters of social science, has nonetheless engendered considerable criticism. Some argue that applying to social science a pattern of development characteristic of the crisis-torn evolution of several of the natural sciences is inappropriate due to the vast differences between studying "things" versus studying "people and their institutions" (Bay, 1972). Others have argued that Kuhn's analysis of the development of natural science disciplines is idealized at best, and that these disciplines experienced far more incremental development through differing viewpoints and a slow accretion of cumulative findings than the Kuhnian analysis would indicate (Toulmin, 1970). Yet others have argued that a true sign of the health of scholarly disciplines is the very existence of active and sophisticated debate over fundamental issues of method and scope, and that the condition of "normal science" (wherein disciplinary consensus reigns) is more a sign of moribund existence than of scholarly vitality (Popper, 1970).

Some perceptive and experienced observers have applied this last argument to the field of Public Administration. Dwight Waldo (1980: 77-78) has noted that:

> any synthesis, or set of core beliefs, for Public Administration, resembling those held by the "faithful" in the twenties and thirties is unrealistic, unobtainable. This is importantly related to my own conclusion that we should move toward the professional model, even though it is a model for which our admiration may be limited and a model which we can never fully emulate. A profession is characterized by an interlocking set of values, not by rigid doctrine, certainly by *nothing resembling a scientific paradigm;* and most of the professions are very receptive to ideas and technologies from many sources, as we need to be [emphasis added].

For the sake of argument let us leave aside the accuracy of Kuhn's description of the development of some natural sciences, and let us set aside for the moment the question of the utility of disciplinary paradigms in the social sciences. Because paradigms are in fact so much a part of contemporary Public Administration, the central question of this article is that of the utility for the development of Public Administration of the present confrontation between rival paradigms.

CONTENDING PARADIGMS IN PUBLIC ADMINISTRATION

The novice student of Public Administration today encounters a literature seriously bifurcated into two quite contradictory world views. One view, represented in the extensive work of Vincent and Elinor Ostrom (and a decade of talented graduate students at Indiana University) is based upon public choice concepts and sets forth a pessimistic view of the prospects for enhancing the administrative capacity of central governmental institutions. The other view, represented equally well in the voluminous work of Robert Golembiewski and his many collaborators and kindred spirits, portrays an optimistic view of the chances for improving the competence of government and its agencies. His answer (and those of scholars and

practitioners associated with his viewpoint) to the question "Can ways be found to get government bureaucracy to work better?" is an emphatic *yes*!

Both the Ostroms and their followers, and Golembiewski and his associates, operate from divergent world views reflecting important unexamined assumptions. The pessimism of the public choice perspective is clearly shown in the following passage:

> The very large bureaucracy will (1) become increasingly undiscriminating in its response to diverse demands, (2) impose increasingly high social costs upon those who are presumed to be the beneficiaries, (3) fail to proportion supply to demand, (4) allow public goods to erode by failing to take actions to prevent one use from impairing other uses, (5) become increasingly error prone and uncontrollable to the point where public actions deviate radically from rhetoric about public purposes and objectives, and (6) eventually lead to a circumstance where remedial actions exacerbate rather than ameliorate problems. The circumstances which generate *institutional weakness and institutional failure in large-scale bureaucracies pose problems which require a reconsideration of the decision rules applicable to public enterprises* (Ostrom, 1973: 64) [emphasis added].

This six-point indictment of large-scale bureaucracy (assumed to be present in most large cities, all the states, and certainly the federal government) is based upon the conceptual works of Downs, Tullock, Crozier, Tiebout, Warren and Buchanan (Ostrom, 1973: 60-64). No empirical evidence is provided for Ostrom's generalizations, and very little empirical evidence in support of the largely axiomatic conceptualizations proposed by Downs (1967), Tullock (1965), Crozier (1964), Tiebout (1956), Warren (1966), and Buchanan (1970) is available in their work. Similarly pessimistic views of mankind's ability to ameliorate bureaucratic damage to democracy can be found in liberal/radical quarters as well. Their arguments, no less than those of the public choice perspective, are predominantly unsupported and based in large part on treatises on the susceptibility of human personality and democratic social systems of the ravages of a bureaucratized world (Hummel, 1977; and Presthus, 1978). In this respect, it can be said that the study of bureaucracy does indeed produce some strange bedfellows.

In contrast to this pessimistic view of the capacity of humankind to harness the beast of bureaucracy in service to a humane vision of collective existence, a large proportion of Public Administration theorists follow Golembiewski's (1965: 22) lead in arguing that:

> The approach here takes the Low Road, stressing specific managerial techniques and structural properties that ameliorate many of the problems raised well enough by pessimistic analyses, but despaired of or ingenuously solved by pessimists. The heading of the present section—Optimism and the Low Road—seems apt, therefore. For these specific techniques and structural properties will be consistent with values derived from the Judeo-Christian Ethic and they will free man from organizational restraints that have reduced his effectiveness over the long haul.

Optimism regarding the ability of organization theorists to formulate thoughtful "techniques and structural properties" on the Low Road of practical administration is also applied to the areas of "institutional weakness and institutional failure in *large-scale bureaucracies*" that so disturb the pessimists. On the question of the consequences of organizational scale, Golembiewski (1965: 299) writes that "at one time organizational growth often did imply changes in the nature of work that were undesirable: greater routinization of operations, greater alienation of the employee from a meaningless task, and so on. The view that these are the concomitants of organizational growth is increasingly anachronistic, however." The implications of Golembiewski's viewpoint are clear enough for contemporary Public Administration: We need not accept the currently popular view that government is inherently wasteful and incompetent, that it has taken up more tasks than it can manage, and that the scope of activity that can be entrusted to effective governmental operation is narrow indeed—and even then nearly always best accomplished by small agencies and entities of local government (Goodsell, 1983). Golembiewski and his cohorts maintain that "directions aplenty" exist for the improvement of governmental operations—whether it be a matter of survey/feedback techniques to create a "responsive organization" (Golembiewski and Hilles, 1979), organization development (OD) undertakings to bring about higher levels of trust and effective communication within organizations (Golembiewski and Eddy,

1978a; 1978b), or any one of many "techniques and structural properties" designed for "making organizations humane and productive" (Meltzer and Norel, 1981).

COUNTERPRODUCTIVE PARADIGMATIC CONFRONTATION

It was noted earlier that a positive regard for the utility of paradigmatic development is held by a wide variety of social scientists. Also both conservative and liberal voices within Public Administration (e.g., Vincent Ostrom and Michael Harmon, respectively) defend the value of paradigms as a means of resolving the "crisis of identity" in Public Administration said to obtain since Simon's devastating assault upon the Weberian/Wilsonian orthodoxies of traditional Public Administration (Simon, 1946). There are, however, other powerful voices dissenting from this view—voices that challenge both the existence of the crisis of identity and the value of paradigms for developing an understanding of human affairs.

Robert Golembiewski has argued, for example, that "I am convinced that there is no intellectual crisis in public administration. The crisis is simply a failure to do more of what patently needs doing, and a failure to aggressively seek those skills necessary for the doing" (Golembiewski, 1974: 174). By implication, Golembiewski's basic outlook is shared by the many scholars and practitioners who pursue "applied behavioral science," and by the developers of the many "Low Road" techniques and structural processes that derive from an optimistic view of the capacity to transform organizations to the ends of a humane culture. Beyond this belief that a crisis in identity is anything but apparent, antiparadigm voices are likely to contend that the advocacy of paradigms is largely counterproductive.

Golembiewski, for example, adds to his disbelief concerning a crisis in identity the attitude that "at its best, one world view can provide researchers with a valuable map to significant analytic territory. At its worst, that same *Weltanschauung* may enmesh researchers in a set of sentiments that its subscribers sense only dimly

or not at all, a 'metaphysical pathos of ideas' that misdirects their attention from the relevant to the comfortable and accepted" (Golembiewski, 1977: 78, quotes Gouldner, 1955: 498). It has been argued that precisely this kind of failing besets the work of the pessimists deriving from the public choice perspective (Lovrich, 1979).

The unquestioned acceptance of "comfortable and accepted" views concerning the dysfunctional aspects of large-scale bureaucracies has resulted, it can be argued, in empirical research that has the character of "normal science" wherein the researcher accepts the major assumptions of a particular model of reality and proceeds to bolster and extend the acceptance of that model by producing illustrative and confirmatory studies (Lovrich and Neiman, 1984). Lack of care in the selection of cases, exclusive employment of favorable methodological approaches, and the choice of convenient test criteria can all be charged against much of the empirical research generated by advocates of a public choice approach to Public Administration (Lovrich and Neiman, 1984). Judging from these several studies alone,[3] however, the assertion that large-scale bureaucracies are inherently less effective and efficient than agencies of smaller scale should be considered incontrovertible. In like manner, the belief that large-scale bureaucracies are unquestionably less able to respond to the diverse preferences of citizens than are smaller agencies serving more homogeneous localized jurisdictions similarly should be considered a matter of proven fact. These beliefs notwithstanding, however, an inquiry into these particular questions employing a methodological approach that obviates the problem of selectivity reveals findings quite at variance with those of public choice studies.

Table 1 sets forth evidence pertaining to the "effectiveness" of police departments of varying scales of operation. Police service was selected because the great majority of empirical studies with a public choice orientation have focused on this public service area. In general, it can be said that policing is a function common to all governments, is a public good provided by-and-large by *local* units of government, and is organized along a wide range of operational scales. In many ways it represents an ideal public service for the testing of effects of "large-scale bureaucratic dysfunctionalities" in

TABLE 1

Relative Effectiveness of Government Agencies Providing the Same Services at Differing Levels of Scale of Operation: Clearance Rates[a] in American Municipal Police Departments

CITY SIZE CATEGORY: 1970 Census Population and 1975 Estimated Census Population	EFFECTIVENESS OF OPERATIONS Aggregate Rates of Crime Clearance[b]											
	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1967-77 Ave. %
250,000+ N = 51-58	22.9%	21.6%	21.1%	23.2%	21.6%	23.4%	22.0%	21.4%	20.7%	19.8%	20.6%	21.7%
100,000-250,000 N = 87-110	22.8%	21.0%	20.1%	19.0%	18.9%	19.2%	20.4%	20.9%	21.1%	21.4%	21.4%	20.6%
50,000-100,000 N = 238-257	20.3%	18.6%	17.8%	18.0%	18.4%	18.5%	20.8%	21.3%	21.4%	20.6%	21.3%	19.7%
25,000-50,000 N = 410-594	20.8%	19.3%	18.3%	17.0%	16.7%	17.1%	20.6%	21.6%	21.4%	21.0%	21.0%	19.5%
10,000-25,000 N = 864-1,386	22.4%	21.1%	19.5%	18.6%	18.2%	18.5%	20.4%	21.3%	21.5%	20.9%	21.2%	20.3%
Under 10,000 N = 1,420-4,903	25.3%	23.1%	20.9%	20.2%	20.1%	18.9%	20.5%	20.9%	21.0%	20.7%	21.2%	21.2%

SOURCE: U.S. Federal Bureau of Investigation annual **Uniform Crime Reports**, for the period 1967-1977.

NOTE: The number of cities reporting crime data varies from year to year, and the categorization of cities by size change with the use of midcensus population estimates.

a. Percentage of reported crimes cleared by arrest.

b. Percentage figures represent the percentage of all crimes reported that are cleared by arrest to all reporting cities (**Uniform Crime Reports**) within each scale category.

government because very large police departments can be compared to smaller-scale operations with respect to a number of common criteria.

A typical criterion used in such comparisons relates to effectiveness—that is, some measure of the degree to which organizational goals are accomplished. One important goal of police departments is the apprehension and arrest of persons associated with crimes reported to the authorities. Table 1 reports data pertaining to this measure of effectiveness, commonly referred to as the rate of "clearance." If the advocates of public choice theory are correct, the ability of large-scale police departments (viewed as ineffective and bureaucracy-ridden) to clear reported crimes should be far less than that of the smaller, presumably more effective service units.

Quite contrary to this expectation, however, there appears to be little if any relationship between scale of operations and effectiveness of service as indicated by rates of crime clearance. Further analysis of clearance data (not reported here) reveals that the same pattern (or nonpattern) applies to both property crimes and crimes of violence considered separately. The prediction of dramatic costs to be incurred by large-scale as opposed to small-scale governmental operations does not apply to police services—at least with respect to the relative capacity for crime clearance.

What can be said of measures of "efficiency" and the question of adverse effects of large-scale bureaucratic operations in government? If effectiveness is typically considered in terms of goal accomplishment, efficiency is characteristically understood in terms of per-unit cost of operation. Table 2 sets forth evidence pertaining to per-unit costs of police operations; the figures reported in the table represent the actual dollar (*non*constant dollars) cost per cleared crime in each of the categories of scale of operation for 1970, 1972, 1974, and 1976. The figures reported in Table 2 represent, then, the ratio of total aggregate expenditures to total aggregate crimes cleared for the municipal police departments contained within each of the scale of operations categories. The figures can be read as average current dollar cost per cleared crime within each of the five standard categories of city size used in the *Municipal Year Book*.

It is clear from Table 2 that no dramatic effect of scale of operations can be detected in the per-unit costs of cleared crimes. The aggregate relative performance of municipal police departments



TABLE 2

Relative Efficiency of Government Agencies Providing the Services at Differing Levels of Scale of Operation: Per-Unit Cost of Cleared UCR Index Crimes Based Upon Total Police Service Expenditures in American Municipalities

CITY SIZE CATEGORY: 1970 Census Population and 1975 Estimated Census Population	EFFICIENCY OF OPERATIONS: Aggregate Current Dollar Cost Per Cleared Crime[b]			
	1970	1972	1974	1976
250,000+ [a]N = 42-53	$4.87	$5.87	$2.11	$2.60
100,000-250,000 N = 70-86	$2.47	$3.06	$1.59	$3.63
50,000-100,000 N = 163-198	$3.28	$3.27	$2.02	$2.14
25,000-50,000 N = 314-361	$3.24	$3.54	$1.63	$1.97
10,000-25,000 N = 746-781	$3.25	$3.65	$1.75	$2.04
[No data available for local governments smaller than 10,000 population.]				

SOURCE: U.S. Federal Bureau of Investigation annual **Uniform Crime Reports** and **Municipal Year Book** for years 1970, 1972, 1974, and 1976.

a. The number of cities reporting expenditures varies from year to year, and the categorization of cities by size changed with the use of midcensus population estimates.

b. The total reported expenditure figures used for these calculations represent the total amount of police department expenditures reported to the **Municipal Year Book** annual survey.

varies from year to year, with the forty to fifty largest cities typically having slightly higher costs per cleared crime than smaller cities. But the differences across categories appear small in comparison to differences among the cities within each of the scale-of-operation categories, and the general rate of improvement in per-unit costs during this period seems fairly comparable across size subdivisions. The relatively small difference in costs between the very largest city police departments and the smaller departments are even less

impressive when it is recalled that, in comparison to smaller jurisdictions, a significantly greater proportion of the total crime burden of big city police is made up of violent crimes as opposed to those involving property. Because crimes of violence cost somewhere between three to five times as much to clear as property crimes (costs of investigation, manhours of staff time, time lost in court appearances, etc.), it should be noted that the *actual* differences in per-unit costs between the largest cities and the other categories are likely to be even smaller than appears in Table 2.

Another commonly used figure relating to per-unit costs in police services is that of *cost per officer*. It is reasoned that officers on-the-beat or on patrol represent both an effective crime fighting force and an effective deterrent to crime. The additional sense of public security deriving from the presence of a police officer in the subway tunnel at night, the patrol car passing through the neighborhood during the evening, the officer checking the doors and back alleys of shops and businesses, all these represent the "intangible value" attached to the number of uniformed officers on duty in any municipality. The measure commonly used to assess the efficiency of police services deriving from these considerations is that of unit cost per officer (total expenditures/number of uniformed officers). Table 3 presents this aggregate measure of police service efficiency within each of the categories of scale of operation.

The findings in Table 3 once more fail to produce the expected evidence of dysfunctionality associated with large-scale bureaucracies. The per-unit cost of maintaining a police officer is not systematically greater as the scale of operation increases. Quite to the contrary, it appears that the cost of maintaining uniformed employees increased far more rapidly in smaller jurisdictions than it did in larger cities for the period 1970 to 1976.

It is possible to argue that all of this evidence is beside the point from the perspective of public choice theory—that the only crucial criterion of assessment ought to be citizens' views of the quality of service received. The "methodological individualism" of public choice theory gives citizen preferences a special legitimacy, for "no one can know the preferences or values of other persons apart from giving them opportunities to express their preferences or values. . . . Producer efficiency in the absence of consumer utility is without economic meaning" (Ostrom, 1973: 62). In conformity with this

TABLE 3

Relative Efficiency of Government Agencies Providing the Same Services at Differing Levels of Scale of Operation: Per-Unit Cost of Maintaining Uniformed Police Officers Based Upon Total Police Service Expenditures

CITY SIZE CATEGORY: 1970 Census Population and 1975 Estimated Census Population	EFFICIENCY OF OPERATIONS: Aggregate Current Dollar Cost Per Uniformed Officer[b]			
	1970	1972	1974	1976
250,000+ [a]N = 42-53	$13.90	$17.67	$12.12	$21.46
100,000-250,000 N = 70-86	$12.17	$14.11	$15.68	$22.35
50,000-100,000 N = 163-198	$12.40	$13.27	$20.34	$22.79
25,000-50,000 N = 314-361	$11.81	$11.90	$15.60	$23.31
10,000-25,000 N = 746-781	$11.27	$10.88	$14.22	$20.51

SOURCE: **Municipal Year Book** for years 1970, 1972, 1974, and 1976.

a. The number of cities reporting expenditures and personnel levels varies from year to year, and the categorization of cities by size changed with the use of mid-census population estimates.

b. The figures represent the sum of total expenditures for police for all of the cities in each category, divided by the total number of uniformed employees in each category.

priority given to citizen preferences, the empirical studies of police services cited above focus on the apparently higher levels of citizen satisfaction with police services present in smaller jurisdictions as compared with those found in larger jurisdictions served by large-scale police agencies.

The comparison of relative levels of citizen satisfaction requires, of course, that differences between cities on characteristics other than police department size be *controlled* in some manner. It has been pointed out elsewhere that the "similar-systems research design" employed in the empirical studies of public choice advocates[4] is subject to several important biases in selection and relevant matching, and that the particular choices of cities to study and pairings of city

and suburban neighborhoods raise sufficient questions to justify an alternative method of analysis (Pachon and Lovrich, 1977). In any case, it is important to attempt to live up to Hubert Blalock's wise suggestion that "it would be extremely helpful if social scientists would develop the habit of contrasting the results of several *different* procedures. . . . If conclusions or results differed, on might gain valuable insights as to why specific differences have occurred" (emphasis in the original). Blalock goes on to argue that, "similarly, *alternative types of controlling techniques* might be used in the same research. As we have suggested previously at several points, multiple indicators may provide both additional insights and checks on the adequacy of one's inferences" (Blalock, 1964: 185-186; emphasis added).

What follows is a brief explication of such an alternative controlling technique that overcomes the selectivity dilemmas of picking potentially "helpful" cases and using possibly "convenient" background controls. The technique used is that of multiple regression analysis as applied to attitudinal data collected in a large number of representative cities of diverse jurisdictional size. By investigating the relationships among citizen service evaluations, jurisdictional size, individual socioeconomic characteristics, and jurisdiction-of-residence demographics, it is possible to assess the direct relationship between scale of police operations and citizen satisfaction with services, controlling statistically for the intervening effects of socioeconomic and demographic factors (a preliminary application of this approach was used in Pachon and Lovrich, 1977). Fortunately, an appropriate source of research data for such a study exists in the attitudinal surveys conducted by Yankelovich and Associates for the Law Enforcement Assistance Administration in 1977, made available to the author by the Inter-University Consortium for Political and Social Research (ICPSR, 1979). Jurisdictional demographic data have been added in order to control for the intervening effects of differing jurisdictional characteristics which prohibit the direct comparison of scale-of-operations effects upon citizen perceptions of police services.

What is the character of the relationship between scale of operations in police services and the degree of citizen regard for police services in this national survey of citizens from a sampling of over 160 small, medium-sized, and large cities across the country?

Table 4 displays the results of a multiple regression analysis wherein individual socioeconomic characteristics (age, education, income, and race), jurisdictional demographics (median family income, percentage of poverty level families, police officers per capita, and murders/manslaughters per capita), and police department size are used to predict citizen attitudes toward the police as reflected in the following question:

> Now I'd like to talk to you about your *confidence* in different institutions in American society. Here is a list of American institutions. As far as the people running these institutions are concerned, how confident do you feel about each institution?
>
> Confidence in . . . your Local Police
>
> (1) ___ Not at all confident
> (2) ___ Slightly confident
> (3) ___ Somewhat confident
> (4) ___ Very confident
> (5) ___ Extremely confident
> ___ No Response

The results presented in Table 4 indicate, in rather dramatic fashion, that the conventional wisdom (to the effect that bureaucratic operational scale is negatively related to citizen regard for services) finds little support in the area of police services. From the correlation matrix it is clear that some characteristics of individuals and their communities (e.g., minority race, percentage of households with incomes below the poverty level, number of murders and manslaughters per 1,000 population, etc.) are both negatively related to confidence in the police and positively related to the size of police departments. When multiple regression analysis is applied to the data from the Yankelovich/LEAA survey, wherein individuals and cities with police departments of differing size are statistically equalized with respect to race, income levels, presence of dramatic violent crime, and so on, it becomes possible to investigate the independent effect of the scale of police department operations upon citizen confidence in police. The standardized regression coefficients (β) in Table 4 make it clear that the size of police departments bears little relationship to citizen confidence in the police.

Of nine separate predictors of citizen confidence—four relating to personal socioeconomic background, four relating to jurisdiction-of-residence demographics, and one relating to scale of police depart-

TABLE 4

Relative Importance of Scale of Operations as a Determinant of Citizen Confidence in the Police: Results of a Multiple Regression Analysis Employing Personal Socioeconomic Characteristics, Jurisdictional Demographics, and Size of Police Department as Predictors of Confidence in the Police

Correlation Matrix (N=1,008)	Education	Family Income	Race (Black)	Median Family Income	Poverty Level Families	Police per Capita	Murders & Manslaughers per Capita	Confidence in Police	Police Department Size
Age	-.21	-.07	-.03	-.03	.01	-.03	-.03	.18	.01
Education		.38	-.16	.23	-.22	-.09	-.12	.01	-.04
Family Income			-.14	.19	-.19	.03	-.08	.07	.03
Race (Black)				-.14	.16	.23	.26	-.19	.20
Median Family Income					-.82	-.31	-.49	.08	-.09
Families Below Poverty Level Income (% of Total Households)						.37	.67	-.09	.18
Police Officers per 1,000 Population							.53	-.07	.54
Murders & Manslaughters per 1,000 Population								-.15	.34
Confidence in Police									-.05

Assessment of Relative Effects: Predicting Confidence in Police

Predictor	Standardized Regression Coefficient (β)	F Statistic	Statistical Significance
Size of Police Department	-.007	.038	NOT SIGNIFICANT
Age	.171	29.914	.001
Education	-.032	.874	NOT SIGNIFICANT
Family Income	.062	3.373	NOT SIGNIFICANT
Race	-.153	22.347	.001
Median Family Income	.051	.919	NOT SIGNIFICANT
% Families in Poverty	.056	.812	NOT SIGNIFICANT
Police Officers per 1,000 Population	.031	.603	NOT SIGNIFICANT
Murders & Manslaughters per 1,000 Population	-.133	8.251	.01

NOTE: Multiple Regression Coefficient (R) = .285; F Statistic = 9.829; Statistical Significance = .001.

ment operations—the size of police departments was the weakest predictive factor. In contrast to the strong predictors (age, family income, race, and presence of murders/manslaughters in the jurisdiction in recent months) the factor of police department size manifests virtually no predictive effect upon citizen attitudes. For these 1,000+ citizens from over one hundred American cities ranging in size from 10,000 to over one million people—served by anywhere from under one hundred to over three thousand police officers—the effect of scale of operation upon their confidence in local police was minimal to nonexistent.

This brief excursion into the realm of quantitative analysis and empirical testing of hypotheses should not be construed as exclusively applicable to the pessimistic view of the public choice-based Theory of Democratic Administration advocated by Vincent and Elinor Ostrom. Similar analyses could well be undertaken with respect to unexamined assumptions underlying the optimistic view. Herbert G. Wilcox, for example, has correctly observed that "the participative theorists make the absurd assumption that intimate personal relationships foster the values of trust, authenticity, etc., while formal relationships, characterized by authority differentials, are antithetical to them" (Wilson, 1969: 62). Because so much of the Low Road managerial technique literature relies upon such unexamined assumptions, it would be equally wise to subject them to careful scrutiny. Similarly, Ruth D. Salinger (1980) has pointed out that there are powerful disincentives to employee training and development; many of the Low Road ameliorative techniques presume an almost boundless potential for the retraining and remolding of managers, supervisors, and rank-and-file employees.[5]

FROM PARADIGMS TO RESEARCH PROGRAMS

I am greatly indebted to Terence Ball (1976) both for the title of this final section and for his insights. Ball (1976: 152) believes there is a productive route "between the Scylla of Kuhnian relativism and the Charybdis of positivist formalism"—a middle course termed "research program" in the work of Imre Lakatos (1970). It is not possible in this brief article to recount the many complex turns in argument and logical deductions made by Lakatos and his fellow philosophers of science. Suffice it to observe that the research program position

reflects a well-developed belief that the pursuit of knowledge within academic disciplines is well served by the existence of two or more "paradigms" whose "hard-core" unexamined assumptions lend themselves to differing foci of attention, differing forms of evidence, etc. The ideation that supports these systems of thought is not subject to conventional *falsification,* and hence should not be viewed as the targets of some ultimate experiment proving that scientific Marxism, public choice theory, structural-functional analysis, or some other paradigm is "wrong."

What can be shown to be "nonscientific," however, is empirical work purporting to demonstrate the predictive value of the hard-core ideation. Of course, the degree of scientific progress of the paradigm (understood in this sense) depends upon the extent to which this empirical work is developed and withstands the tests of adherence to appropriate methods, measurements, logical construction, and so on. For Lakatos, the phrase "*criticism* and the growth of knowledge" applies to the process wherein the research program generated from a paradigm (but not the paradigm itself) is subjected to the test of falsification via professional review and criticism. The foregoing brief empirical analysis section of this article represents a modest attempt to subject public choice research to appropriate disciplinary criticism.

Competing disciplinary paradigms will often direct attention to different problems within a particular area of study. In the case of Public Administration, however, we are most fortunate that both the pessimistic and optimistic views focus upon a central question—to wit the governability of democracies in postindustrial societies. Both views are capable of producing research programs *if* scholars and practitioners can develop both a tolerance for differing paradigms (rather than seeing diversity as a sign of disciplinary "crisis") and a knowledge of the skills required to translate core ideation into empirically testable propositions about individual and collective behavior in public administration.

In an important sense Robert Golembiewski (1977: 67) is correct in arguing that

> "public administration" deals with such a diversity of phenomena that I value several conceptual qualities above others. These include a certain acceptance of conceptual untidiness and resistance to the superficial allures of comprehensive paradigms, a substantial tolerance for differences in approaches as well as for ambiguities, and a major commitment to hold things together while matters jell a good bit more.

In another sense he is incorrect, however. Although there are "superficial allures" connected to paradigms, there are also very important political and pedagogical stakes involved in the thinly veiled struggle between a pessimistic and an optimistic view of the potential for enhancing our capabilities for managing governmental complexities in postindustrial societies. To forsake the development of an appropriate research program that will add to a broader conception of the issue of governmental overload/societal adaptability for the limited purpose of adding to the current "bag of tricks" taught in Public Administration courses and used in government service, seems shortsighted and ill-advised. To focus on perfecting administrative techniques, while a dedicated effort is being made to transform society by turning to questionable assumptions about the ability of the market to perform the task of just and effective political decision making, is to fiddle while Rome burns.

A comprehensive alternative to the public choice approach is very much needed, both for the effective teaching of administrators and for wise decision making in our polity. The research program that would be generated from such a comprehensive perspective could not only serve Public Administration by investigating the extent to which it is possible to enhance our administrative capability (with respect to what areas of services, under what particular conditions, etc.), but also provide the teachers and practitioners of public administration with a more firmly grounded knowledge of the utility and limitations of their "bag of tricks."

In conclusion, it should be said that the answer to the question of whether or not Public Administration can be useful in coping with the problems of postindustrial governance may well depend upon the extent to which both the advocates of pessimistic and optimistic world views prepare and defend the results of their respective research programs. Let us hope, for the sake of Public Administration, that we are capable of the demanding task that lies before us.

NOTES

1. I will follow Dwight Waldo's lead in using the capitalized form to refer to the self-conscious study of public sector administrative processes, and the lower case form to refer to those processes per se.

2. More than twenty separate definitions of paradigm have been isolated by Margaret Masterman (1967), and Thomas Kuhn (1964) himself uses the term in at least a half-dozen ways in *The Structure of Scientific Revolutions.* Perhaps the most common usage is that of "world view"—a comprehensive system of ideas on how reality should be viewed and how it should be approached for formal study (Kuhn, 1970). It is in this sense that paradigm is used in this article.

3. See the fine compilation of studies included in the annotated bibliography produced by the Workshop in Political Theory and Policy Analysis headed by Vincent and Elinor Ostrom: Rick K. Wilson, "Institutional Arrangements and the Delivery of Urban Services: Empirical Studies," unpublished paper produced by Indiana University, 1978.

4. Examples of studies employing similar systems designs for the analysis of public choice phenomena include Ostrom (1971), IsHak (1972), Ostrom and Whitaker (1974), Rogers and Lipsey (1974); Ostrom (1975a; 1975b), Ostrom (1976), Ostrom, Parks, and Whitaker (1977), Ostrom and Parks (1978).

5. Contrast this sense of optimism with the following remark by the more doubting James Q. Wilson (1979: 13):

> Another reason is that good people are in very short supply, even assuming we knew how to recognize them. Some things literally cannot be done—or cannot be done well—because there is no one available to do them who knows how. *The supply of able, experienced executives is not increasing nearly as fast as the number of problems being addressed by public policy.* All the fellowships, internships, and mid-career training programs in the world aren't likely to increase that supply very much, simply because the essential qualities for an executive—judgment about men and events, a facility for making good guesses, a sensitivity to political realities, and an ability to motivate others—are things which, if they can be taught at all, cannot be taught systematically or to more than a handful of apprentices at one time. [emphasis in the original]

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Priority-setting methods for policy boards must address both multiple criteria for choosing among alternative policies and the differing values of individual board members. Four techniques that might be appropriate for policy boards are decision analysis, simplified multiattribute rating technique, analytic hierarchy process, and social judgment theory. These techniques differ in approach, implementation, complexity, cognitive style, time required, and information demands. Factors to consider before using one of these techniques include what roles board members and staff should play, how individuals' opinions should be aggregated, and whether the political conditions exist that make it feasible to use the technique.

PRIORITY-SETTING METHODS FOR PLURAL POLICYMAKING BODIES

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This article reviews several methods that plural policymaking bodies might use for setting priorities. These methods apply to many general decision issues in the public sector, such as developing comprehensive health, economic development, transportation programs, allocating funds among public agencies or programs, evaluating the performance of agencies or programs, and to specific issues such as spatially distributing a community's emergency response vehicles, drawing the boundaries for school districts, or even deciding what type of bullet police shall use in their handguns. After describing each technique and comparing them, this article explores the roles that

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policy board members and staff could play and how one could combine the preferences of individual board members whose values may conflict. Finally, it suggests the political conditions under which it would be practical for a policy board to use each method.

INTRODUCTION

Policymakers must frequently choose among alternatives that affect multiple objectives. Developing a community's capital improvement program provides one such example. Economic rationality might dictate that a single decision criterion (net present value or benefit-cost ratio) is sufficient for selecting projects. Local policymakers would probably feel it necessary to consider additional criteria, such as state and federal mandates, sources of funding, and the community's sense of urgency regarding different capital projects.

Multiple criteria require that the policymaker somehow determine their relative importance in order to select the "best" projects. The literature on decision theory has devoted considerable attention to techniques that permit evaluating projects in terms of multiple effects. Hwang and Yoon (1981) have recently reviewed 17 of these techniques. Most of these techniques have been developed for the use of individual decision makers. Such techniques may prove inadequate for plural policymaking bodies. These bodies must use a method that accommodates the different values of their individual members as well as multiple effects of the alternative policies being considered.

Four techniques that might be suitable for plural policymaking bodies are decision analysis, simplified multiattribute rating technique (SMART), analytic hierarchy process (AHP), and social judgment theory (SJT). All these techniques divide the overall priority-setting process into several tasks. Generally, these tasks include identifying the effects against which a policy should be assessed, assessing each policy separately in terms of the size of each effect it is expected to produce, determining weights by estimating the relative importance of each effect, and combining the effects and weights so as to generate an overall rating for each project. Arraying these overall ratings in descending order sets the priorities for the policies analyzed.

DESCRIPTION OF THE TECHNIQUES

DECISION ANALYSIS

Decision analysis may be the best known of the priority-setting methods discussed here. Keeney and Raiffa's (1976) *Decisions with Multiple Objectives: Preferences and Value Tradeoffs* is the principal explication of this technique. Public-sector applications include designing police sectors for a city (Bodily, 1978), evaluating proposed sites for a pumped storage facility for generating electricity (Keeney, 1980), and selecting a site for a nuclear power plant for the Washington Public Power Supply System (Keeney and Nair, 1977).

Decision analysis is a compositional approach. That is, it first breaks the analytic problem down into a series of subproblems, analyzes each subproblem separately, and then combines the results of the separate analyses to develop an overall score for each policy alternative. This technique requires the policymakers to trade off the importance of one effect against another. It is the most complicated of the techniques to describe. Steps in arriving at an overall ranking of policy alternatives include the following:

(1) identify the policy alternatives that will be considered
(2) identify the effects of these policies that concern policymakers.
(3) determine the mathematical form that will be used to combine each policy's effects into an overall ranking
(4) determine the relative importance of the effects
(5) use the mathematical form, the effect importance weights, and the size of each effect the policy is expected to produce to develop an equation that yields an overall score for each policy alternative

Assume, for purposes of illustrating this technique, that a state government must alleviate overcrowding in its prisons. Three policies to achieve this end are being considered: build more prisons, parole more prisoners, and sentence more offenders to probation instead of prison. Assume further that three types of effects concern the state's policymakers: cost to the state, restitution to victims, and prevention of future crimes through deterrence. Cost may be further broken down into two more specific effects. The first is direct cost to the state to implement each policy. For example, what would it cost the state to build and operate more prisons? Or to hire more probation officers

to supervise more probationers? Second is the indirect cost for welfare assistance to families of prisoners and for taxes lost to the state on wages not earned while offenders are in prison. Deterrence may be further broken down into three effects. The first two effects are specific to the offender. One is the prevention of future offenses that result in property loss to citizens. The other is prevention of future offenses that result in violence or physical harm to citizens. The third form of deterrence is general. Other people are deterred from crime by seeing the punishment meted out to people who are convicted of committing crimes.

For each of these six effects, a range of the possible level of effect that the policies being considered might produce can be estimated. Direct cost might be stated in terms of millions of dollars a year to implement the policy. Let us assume that this cost could range from $10 million to $100 million. The worst level would be assigned a value of 0 and the best level would be assigned a value of 1. Future personal harm caused by the offender, on the other hand, might be stated in terms of the number of people a year who will be injured by the offenders committing future crimes. For this effect, assume that the number might range from 200 to 1200 a year. The worst level, 1200, would be assigned a value of 0 and the best level, 200, would be assigned a value of 1.

The third step in decision analysis is to determine the mathematical form that should be used to combine each policy's expected effects in order to obtain an overall performance score. To keep the example simple, let us assume that one's preference for an effect does not depend upon the levels at which the other effects are fixed. For example, a policymaker would prefer a lower direct cost to a higher direct cost regardless of whether the number of people injured was at a high level or a low level. Further, let us assume, for this illustration, that the appropriate form for this illustration is additive. The additive form is the simplest and means that for each policy alternative each effect's weight can be multiplied by that effect's level and the resulting products can be summed to obtain an overall perfomance score for each policy alternative.

Determining the relative importance of the effects, Step 4, involves several tasks. We may begin by ranking the six effects, accomplished by answering a series of questions. First, given that all six effects are at their worst level, which effect would you most like to have at its

best level, assuming that the other five effects remain at their worst levels? Assume that the answer is direct cost. Direct cost would then be ranked highest. Additional questions would be asked to determine the rank order of the other five effects. Assume that the rank order for the six effects is as follows:

(1) direct cost to implement policy
(2) personal injuries caused by offenders
(3) restitution to victims
(4) property losses caused by offenders
(5) indirect cost to the state
(6) general deterrence

We next develop a utility function for direct cost that indicates the value that we place upon different levels of direct cost. Remember that the best level is valued at 1 and the worst level is valued at 0. This task now requires answering a series of questions. First, assume that there is a 50-50 chance of the cost being the worst level ($100 million) or the best level ($10 million). For what level of certain cost would you just as soon take the 50-50 lottery as the certain cost? Assume the answer is $55 million. The expected value of a 50-50 chance of either 1 or 0 is .5 ((1 + 0)/ 2 = .5). Therefore we place in Figure 1 a dot on the graph that represents a value of .5 and a cost of $55 million. We can also place a dot at 1 value, $10 million cost to indicate the value we attach to the best level and another dot at 0 value and $200 million cost to indicate the value of the worst level.

By establishing intermediate ranges between these dots, we ask more questions to obtain additional points on the graph. For example, assume there is a 50-50 chance of the cost being $100 million or $55 million. For what level of certain cost would you just as soon take the 50-50 lottery as the certain cost? Suppose the answer is $77.5 million on the graph. By sketching in a line that best connects these five points we have a utility function that permits reading off the value we attach to any level of direct cost within the $10 million to $100 million range. This particular line happens to be straight, or linear, but frequently the utility function will be curved instead of linear.

The next task in determining the relative importance of the effects is to establish tradeoffs between the most important effect, direct

cost, and each of the other five effects. Comparing the relative importance of personal injuries to direct cost requires answering the following question: Assume that there is a 50-50 chance of two events occurring. In the first event, direct cost would be $100 million and personal injuries would be at their best level, 200. In the second event, personal injuries would be at their worst level, 1200 and direct cost would be at level X. At what level would you set X so that you would be indifferent between the two events? Assume that the answer is $70 million. Now read the value for $70 million off the utility function in Figure 1. That value is about .3. If direct cost is valued at 1.0 at its best level, personal injury is therefore valued at 1.0 times .3, or .3, at its best level. A similar comparison with direct cost would be made to establish the relative weights for each of the other four effects.

The final task in determining the weights is to translate the relative weights described above into absolute magnitudes. To do so we must answer another question: For what probability would you be indifferent between a policy costing $10 million and having the other five effects at their least desirable level and an alternative policy consisting of a lottery yielding either all effects at their most desirable level with the probability you chose or otherwise all effects at their least desirable level? Assume the probability chosen is .6. The weight for direct costs should therefore be .6 and the other five effect weights should be scaled relative to this weight. This scaling is accomplished by multiplying each of the relative weights by .6. For personal injury, the absolute weight would be .6 times .3, or .18. This task completes Step 4 in the decision analysis technique.

The fifth step requires estimating how well each of the three policies would perform in terms of the six effects.

Finally, assume that each policy's impact on each effect has been estimated. A utility function must be developed in order to translate the policy's expected impact into a value ranging between 0 and 1.0. The procedure is the same as that already illustrated for direct cost in Figure 1. Table 1 illustrates such values for the three policy alternatives being considered. These values now need only be fit into a mathematical equation along with their respective weights to obtain an overall performance score for each policy alternative.

Recall that in Step 2 we assumed that the appropriate form for this problem is additive. For each policy alternative, multiply its effect level shown in Table 1 times the respective weight for that effect and

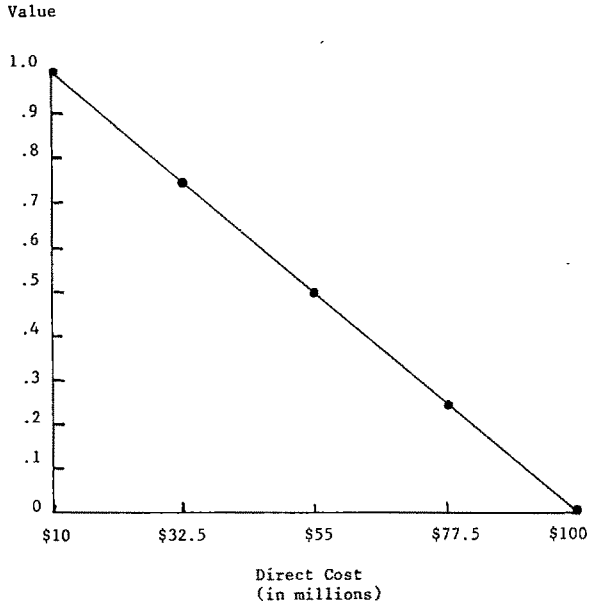


Figure 1: Utility Function for Direct Cost

sum the resulting products. For the policy alternative of building more prisons, the equation would be as follows: Overall performance = .60 × .3 + .18 × .8 + .09 × .1 + .07 × .8 + .04 × .2 + .02 × .4 = .405. For the policy alternatives that would parole more prisoners and sentence more offenders to probation instead of prison, the overall performance values are .551 and .669, respectively.

Taking into account how well each policy would perform in terms all six effects, then, we would rank the policies as follows:

Policy	*Overall Score*	*Rank*
Sentence more offenders to probation	.669	first
Parole more prisoners	.551	second
Build more prisons	.405	third

TABLE 1
Estimated Effects of Policy Alternatives

Effect	Weight of Each Effect	Build More Prisons	Parole More Prisoners	Sentence More to Probation
Direct cost	.60	.3	.7	.8
Personal injuries	.18	.8	.3	.4
Restitution	.09	.1	.2	.7
Property losses	.07	.8	.5	.4
Indirect cost	.04	.2	.4	.6
General deterrence	.02	.4	.4	.1

Note that the heavy weight given direct cost causes the probation policy alternative to be ranked ahead of the prison alternative, which is the most expensive to implement. If property losses and personal injuries to citizens had been given more importance than direct cost to the state, then the overall score for the prisons alternative would have been greater than the overall score for the probation policy alternative.

SIMPLIFIED MULTIATTRIBUTE RATING TECHNIQUE (SMART)

In 1971 Ward Edwards proposed a rating technique designed to simplify the kind of judgments required by Keeney and Raiffa's decision analysis. He assumed that the organization, rather than a single individual, was the decision maker. Following this assumption, he partitioned the decision problem and looked to individuals with different expertise to render judgments for different parts of the problem. Applications included evaluating a community anticrime program and evaluating the Office of Rentalsman as an alternative to the courts for handling landlord-tenant disputes (Edwards, 1980), ranking alternative desegregation plans for Los Angeles schools (Edwards, 1979), and evaluating the street department's performance in Morgantown, West Virginia (Karako and Wolf, 1982).

For illustrative purposes we continue with the same three policy alternatives and six effects in order to describe SMART. The first two steps, identify the policy alternatives and their relevant effects, are the same for SMART as for decision analysis. Although not required to use the technique, SMART applications usually assume that the

linear and additive form will be a good approximation to whatever the "true" mathematical form might be.

Determining the relative importance of the effects first requires establishing the possible range of levels for each effect. We can use the same ranges established for the decision analysis illustration. Direct costs range from $10 million to $100 million and personal injuries range from 200 to 1200. The worst point on each range is valued at 0 and the best point is valued at 100. Thus $10 million in direct cost would equal 100 and $100 million would equal 0. For personal injuries, 200 would equal 100 and 1200 would equal 0. Using SMART, one simply assumes that the change in the 0-100 value scale is proportionate to the change in the $10 million to $100 million cost and the 200 to 1200 personal injury scales. This assumption means that utility functions such as that shown in Figure 1 will always be a straight line and that one only needs to know the two end points on the range of the effect levels to draw this line.

Given information about the range for each effect level, one is ready to decide how important each effect is. There are several ways of arriving at this decision. One three-step procedure is the following. First, arrange the effects in rank order. Suppose that this rank order is the same as that used in the decision analysis example, where direct cost to implement the policy was deemed most important and general deterrence least important. Next, set the weight of the least important effect equal to 10. Then compare each effect to the least important effect in terms of how many times more important it is. Assume that direct cost is believed to be 10 times as important as general deterrence. The weight of direct cost is therefore 10 x 10, or 100. If indirect cost were 1.5 times as important as general deterrence, its weight would be 1.5 x 10, or 15. Third, normalize the weights so that they will total 100%. This step is accomplished by summing the six weights and dividing that total into each weight. This procedure is illustrated below:

Effects	*Weights*		*Normalized Weights* %
Direct cost	100/207	=	48
Personal injuries	40/207	=	19
Restitution	22/207	=	11
Property losses	20/207	=	10
Indirect cost	15/207	=	7
General deterrence	10/207	=	5
Total	207	=	100%

The next step toward generating an overall performance score for each of the three policies is to estimate how well each policy will perform in terms of each of the six effects. This step is similar to that for decision analysis. Whereas in decision analysis the effects range from 0 to 1.0, in SMART the effects range from 0 to 100. We can use the same effects displayed in Table 1 simply by moving the decimal point two places to the right.

Finally, we multiply each policy alternative's effect times that effect's weight and sum the products to get the overall performance score. For the policy alternative of building more prisons, the calculations are as follows: Overall performance = 48% × 30 + 19% × 80 + 11% × 10 + 10% × 80 + 7% × 20 + 5% × 40 = 42.1. For the policy alternatives of paroling more prisoners and sentencing more offenders to probation, the overall scores are 51.3 and 62.4, respectively. The policies would then be ranked as follows:

Policy	*Overall Score*	*Ranking*
More probation sentences	62.4	first
Parole more prisoners	51.3	second
Build more prisons	42.1	third

ANALYTIC HIERARCHY PROCESS (AHP)

Thomas Saaty (1980) developed this technique in 1971 and has applied it to many policy issues since that time. These issues included setting priorities for transportation projects in the Sudan, analyzing alternative health care management policies in terms of their effect upon cost containment, setting land-usage priorities for different pieces of land, and setting resource priorities for a developing nation.

As for the two techniques previously discussed, the first two steps in the analytic hierarchy process identify the policy alternatives to be considered and the relevant effects. In Step 3 the weights for the effects are established by means of pairwise comparisons. Several tasks make up this step. First, a scale is constructed for indicating relative importance between attributes. This scale permits the

policymaker to state the magnitude of difference in importance by a single-digit number. A typical scale follows:

Magnitude	*Corresponding Definition*
1	Two effects are equally important.
3	One effect is weakly more important than another.
5	One effect is moderately more important than another.
7	One effect is strongly more important than another.
9	One effect is absolutely more important than another.

Unlike decision analysis and SMART, AHP does not require that the range of levels for each effect be established before making judgments about the effects' relative importance. We compare each possible pair of effects. Suppose our ratings are as follows:

Comparison	*Magnitude*
Direct costs and personal injuries	–3
Direct costs and restitution	–3
Direct costs and property losses	–9
Direct costs and indirect cost	–5
Direct costs and general deterrence	–7
Personal injuries and restitution	1
Personal injuries and property losses	–7
Personal injuries and indirect cost	–5
Personal injuries and general deterrence	–5
Restitution and property losses	–7
Restitution and indirect cost	–3
Restitution and general deterrence	–7
Property losses and indirect cost	+5
Property losses and general deterrence	+3
Indirect cost and general deterrence	–3

A plus sign to the left of the number means that the effect on the left is more important than the effect on the right. A minus sign means the effect on the left is less important than the effect on the right.

TABLE 2
Summary of Pairwise Comparisons of Effects

Effect	Direct Costs	Personal Injuries	Restitution	Property Losses	Indirect Cost	General Deterrence
Direct cost	1	1/3	1/3	1/9	1/5	1/7
Personal injuries	3	1	1	1/7	1/5	1/5
Restitution	3	1	1	1/7	1/3	1/7
Property losses	9	7	7	1	5	3
Indirect cost	5	5	3	1/5	1	1/3
General deterrence	7	5	7	1/3	3	1

According to the scale, then, the -3 opposite the first comparison means that the policymaker believes that personal injuries are weakly more important than direct cost.

These judgments about the relative importance of each effect in each pair are next set into a matrix, as illustrated in Table 2. If the effect in the row is more important than the effect in the column, the magnitude is expressed as a whole number. If the effect in the row is less important than the effect in the column, the magnitude is expressed as the reciprocal of the whole number. The numbers below the diagonal are reciprocals of the numbers above the diagonal.

Next, we summarize these numbers to arrive at a single number for each effect that represents its weight. One method of doing so is to take the geometric mean of each row and then to normalize these means so that they sum to 1.0. Doing so for the matrix in Table 2 produces the following weights:

Direct costs	.03
Personal injuries	.05
Restitution	.06
Property losses	.46
Indirect cost	.14
General deterrence	.26
Total	1.00

To determine how well each policy alternative performs in terms of each effect, we again use pairwise comparisons. The scale has the

same magnitudes as before, but the corresponding definitions read as follows:

Magnitude	*Corresponding Definition*
1	Two policy alternatives have an equal effect.
3	One policy alternative is weakly better than the other.
5	One policy alternative is moderately better than the other.
7	One policy alternative is strongly better than the other.
9	One policy alternative is absolutely better than the other.

We now use this scale to generate six matrices. Each matrix summarizes our judgments about how well the three policy alternatives perform on a single effect. Table 3 illustrates these matrices. These matrices are interpreted and summarized as explained in the paragraph describing how the effect weights are determined.

The last step in the analytic hierarchy process is to combine the information about the policy alternative's relative effects with the pertinent effect weights and to summarize this information into a single overall performance score. We first create another matrix that consists of a column for each of the six effect matrices. The columns consist of the normalized geometric means for each of these matrices. Then we multiply this matrix by the effect weights estimated earlier, as shown in Table 4. This calculation generates a single number for each policy that represents its overall impact ranked on a ratio scale. Because the prisons policy has the highest score, it would be ranked first. The scores for the parole and probation alternatives are almost identical.

SOCIAL JUDGMENT THEORY (SJT)

Decision analysis, simplified multiattribute rating technique, and the analytic hierarchy process are all compositional approaches that elicit effect weights directly, either from direct scaling or paired comparisons. These weights are then multiplied by effects and summed to obtain an overall rating for each policy. Social judgment

TABLE 3
Matrices Showing Relative Effects Policy Alternatives Have

	Prisons	Parole	Probation
Direct costs			
Prisons	1	1/5	1/9
Parole	5	1	1/3
Probation	9	3	1
Personal injuries			
Prisons	1	5	9
Parole	1/5	1	3
Probation	1/9	1/3	1
Restitution			
Prisons	1	1/3	1/9
Parole	9	1	1/3
Probation	3	3	1
Property losses			
Prisons	1	7	9
Parole	1/7	1	3
Probation	1/9	1/3	1
Indirect cost			
Prisons	1	1/3	1/7
Parole	3	1	1/5
Probation	7	5	1
General deterrence			
Prisons	1	3	5
Parole	1/3	1	5
Probation	1/5	1/5	1

theory is a decompositional approach that infers the weights for each effect from overall ratings.

Policymakers are first given a series of policy alternatives and information that quantifies the level of effect that each alternative produces. The policymakers make an overall rating for each alternative. Effect weights are then detected by analyzing these policy

TABLE 4

Calculation of Overall Performance Score, Analytic Hierarchy Process

Effect Weights				Effect Levels							
				Direct costs	Personal injuries	Restitution	Property losses	Indirect cost	General Deterrence		
Direct costs	.03		Prisons	.28	3.56	.33	3.98	.36	2.47		
Personal injuries	.05		Parole	1.19	.84	1.44	.75	.84	1.19		
Restitution	.06	X	Probation	3.00	.33	2.08	.33	3.27	.34	=	
Property loss	.46										
Indirect cost	.14										
General deterrence	.26										

Policy Alternative	Overall Score
Prisons	2.73
Parole	.94
Probation	.93

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ratings. Applications include choosing the type of ammunition that police should use in their handguns (Hammond, 1976), selecting economic development policies for a county (Rohrbaugh and Wehr, 1978), planning a local government's budget (Stewart and Gelberd, 1976), evaluating organizational performance (Rohrbaugh and Quinn, 1980), setting salary levels for individual faculty members at a state university (Roose and Doherty, 1978), setting priorities for an educational research institute (Adelman et al., 1975), and setting a city's priorities on acquiring land parcels under the "Open Space" program (Hammond et al., 1977: pp. 18-19).

As with the other three techniques, the first two steps in social judgment theory consist of identifying the policy alternatives and their effects. The next step is to develop weights that indicate the relative importance of the effects and, at the same time, a mathematical form for combining the effects and weights into an overall score. This step involves three tasks.

First, one develops a set of profiles that vary in terms of the level of each effect a policy produces. Figure 2 shows a sample of such profiles for the prison overcrowding problem. The bar opposite each effect indicates the level that policy produced on that effect. The worst possible performance would be zero and the best possible 10. Second, the decision maker reviews each profile and makes a judgment of overall performance by giving the profile a rating between 0 (worst) and 20 (best).

Third, a regression equation is fitted to these data. The dependent variable is the overall rating, and the effect levels are the independent variables. As was the case for decision analysis, the relationship between changes in an effect's level and changes in its value need not be linear. To keep this illustration simple, we assume that in this case the function forms for all the effects are linear. Suppose that the regression equation that best relates the profiles to the judgment ratings is the following:

$$Y = .20X1 + .36X2 + .18X3 + .11X4 + .15X5 + .00X6$$

Where Y stands for the overall rating and the X's stand for direct costs, personal injuries, restitution to victims, property losses, indirect costs, and general deterrence, respectively. The coefficients are the weights that indicate the relative importance of the effects.

Alternative 1	Direct cost	XXXXXXXXXXXXXXXXXXXX
	Personal injuries	XXXX
	Restitution	XXXXXXXXXXXXXXXX
	Property losses	XXXXXXXX
	Indirect cost	XXXXXXXXXXXX
	General deterrence	XXXXXXXXXXXXXXXXXX 1 2 3 4 5 6 7 8 9 10
Alternative 2	Direct cost	XXXXXXXXXXXXXXXX
	Personal injuries	XXXXXXXXXXX
	Restitution	XX
	Property losses	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
	Indirect cost	XXXXXXXXXXXXXXXXX
	General deterrence	XXXXXXXX 1 2 3 4 5 6 7 8 9 10
Alternative 3	Direct cost	XXXX
	Personal injuries	XXXXXXXXXXXXXXXXX
	Restitution	XXXXXXXXXXXXXXXXXXXXXXXX
	Property losses	XXXX
	Indirect cost	XXXXXX
	General deterrence	XXXXXXXXXXXXXXXXXXX

Figure 2: Profiles of Hypothetical Policy Alternatives

Note that the coefficient for general deterrence is .00, meaning that the decision maker ignored this effect when judging overall performance.

Armed with this regression equation, we can readily calculate an overall rating for any policy, given estimates of its effects. Assume that the effects for the three policy alternatives previously considered are the same as shown in Table 1, except that we move the decimal

place one place to the right. For the alternative of building more prisons, the overall rating would be calculated as follows:

$$Y = .20 \times 3 + .36 \times 8 + .18 \times 1 + .11 \times 8 + .15 \times 2 + 0 \times 4 = 4.84$$

For the other two policy alternatives, paroling more prisoners and sentencing more offenders to probation instead of prison, the overall scores would be 3.99 and 5.64, respectively. Given these effects and weights, the three policies would be ranked as follows:

Policy Alternative	*Overall Score*	*Rank*
More probation sentences	5.64	first
Build more prisons	4.84	second
Parole more prisoners	3.99	third

COMPARISON OF TECHNIQUES

Table 5 summarizes important characteristics that affect how useful these four techniques might be for policy boards. A technique is more likely to be used if it is simple, fits the policymaker's cognitive style, doesn't take much time, and does not demand information that is unavailable.

Decision analysis is the most complicated of the techniques described. It requires numerous judgments using the 50-50 lottery technique to establish the decision maker's preference structure and utility functions. SMART and AHP seem to make the least demands. The decision maker can focus upon one effect at a time when evaluating policies and can establish effect weights by comparing effect pairs. SJT places a somewhat heavier burden on the decision maker by requiring that he or she take all effects into account simultaneously in order to judge each policy alternative's overall performance.

Policymakers may differ in terms of the cognitive style that is more comfortable for them. SJT requires holistic judgments about a policy alternative's rating. The other three techniques are analytic, requiring a series of judgments about different aspects of a policy alternative.

Decision analysis and SJT require additional analysis to determine the form of the mathematical equation that will be used to

TABLE 5
Characteristics of Priority-Setting Techniques That Affect Their Usefulness for Policy Boards

Complexity

Most Complex	Intermediate	Simplest
DA	SJT	SMART
		AHP

Type Judgments Required

Analytic	Holistic
DA	SJT
AHP	
SMART	

Time Required to Fit Mathematical Function

Most	Least
DA	SMART
SJT	AHP

Applicability When Effects Cannot Be Quantified

High	Low
AHP	DA
	SJT
	SMART

aggregate weighted effects. This step is not required in the other techniques, which should therefore take less time.

The analytic hierarchy process is the easiest to use when good information about the level of effects each policy alternative would have is unavailable. AHP allows comparisons to be made in terms of whether effects would be equal, better, or worse. The quantity of effect that is "equal," "better," or "worse" may be unknown. For decision analysis and SMART, ranges of effects must be established before tradeoffs are made between the effects to establish their relative importance. SJT also presumes that the estimates of effect levels can be obtained for each policy alternative.

A detailed technical assessment of these techniques is beyond the scope of this review. The reader should, however, be aware that

researchers are not unanimous in their conclusions about the technical weaknesses of the various approaches. SMART proponents would argue, for example, that decision analysis is so abstract and complicated that the effect weights produced may not be valid unless the policymakers have a technical understanding of the scale properties of probabilities. When decision analysis imposes an analytical pattern of thinking on policymakers that is foreign to them, the validity of the decision reached is problematic, they would argue. Further, when the policymaker is asked very simple, contrived questions during utility function assessment, the procedure "may put the decision maker in a less serious frame of mind than that with which he or she would like to face the real problem" (Bunn, 1984: 233).

Decision analysis proponents would argue, on the other hand, that policymakers must invest considerable time and effort to develop a technically good model. The easier and quicker SMART approach, they believe, cannot capture the complex tradeoffs that must be made between different effect levels.

Readers interested in technical critiques may refer to Barron and John (1980), Billings and Marcus (1983), Eils and John (1980), Einhorn and Hogarth (1981), Einhorn and McCoach (1977), Hershey, Kunreuther, and Schoemaker (1982), Hobbs (1980), Krzysztofowicz and Duckstein (1980), Lane, Murphy, and Marques (1982), Pitz, Heerboth, and Sacks (1980), Schoemaker and Waid (1982), Slovic, Fischoff, and Lichtenstein (1977), Stillwell, Seaver, and Edwards (1981), Wainer (1976), and Yates and Jagacinski (1979 and 1980). Much research remains to be done on such technical aspects as "the mathematical analysis of more complicated structures, personal assessment biases, and the interactive role of the decision analyst in the organization" (Bunn, 1984: 233).

ISSUES IN USING THESE TECHNIQUES TO SET PRIORITIES

Three issues that need to be explored when policy boards use these techniques are (1) what role board members should play in analyzing policy alternatives, (2) how judgments of individual board members should be combined, and (3) whether it is politically acceptable to use any of these techniques.

ROLES OF BOARD MEMBERS

The role that the policy board plays is not inherent in the technique chosen. With any of these techniques the board may itself identify the policy alternatives and effects to be considered, determine the effects' relative importance, and determine the level of effect produced by each policy alternative. Or, it may delegate any or all these tasks to staff or consultants. To clarify the board's options, we summarize below roles played in five public sector applications of these techniques.

(1) Site selection for a power plant. This application involved selecting a site for a nuclear power plant for the Washington Public Power Supply System (Keeney and Nair, 1977). The project team of consultants responsible for conducting the analysis identified the effects in terms of which the alternative sites would be evaluated. The effects included health and safety issues (radiation exposure, flooding, surface faulting), environmental effects (thermal pollution, sensitive or protected environments), tourism and recreation, and system cost and reliability. "Experts" from the project team determined the relative importance of these effects. Based upon judgment and analysis of empirical data, the consultants also estimated the level of each effect that each alternative would produce.

(2) School desegregation. This application ranked alternative desegregation plans for Los Angeles schools (Edwards, 1979). School board members identified the outcome (or effects) in terms of which the alternative desegregation plans would be judged. Examples of outcomes selected include the plan's effect upon racial-ethnic composition of schools, educational quality, community acceptance, and stability. They also determined the relative importance of these outcomes. School district staff then estimated how well each desegregation plan would perform in terms of each outcome.

(3) Higher education. This application considered the effects of seven higher education policies upon four objectives (Saaty, 1980: 132-138). A group of 28 college-level teachers identified the objectives to which they believed higher education policies should contribute: prosperity, civil order, profit for industry, and perpetuation and

power for industry. The relative importance of these objectives was established through a two-step procedure. The teachers first reached a consensus on the relative importance between each pair of objectives. Second, the teachers determined also by consensus how well each of seven policies would attain each of the four objectives.

(4) "Open Space" land acquisition. This application set a city's priorities on acquiring land parcels under the "Open Space" program (Hammond et al., 1977: 18-19). A local board in Boulder, Colorado, identified the effects against which specific land parcels would be evaluated. These effects included aesthetics, cost, location, availability, need for action, use potential, and contribution to protection of the environment. The consultants described forty hypothetical parcels of land in terms of the level of effect each parcel would have. Each board member then scored each hypothetical parcel in terms of the overall desirability of acquiring it. The consultants then regressed these overall scores against the hypothetical parcels' effect levels to infer the weights for each effect. The mean of individual board members' weights were discussed by the board and modified by consensus. Once the effect weights were established, the board members also individually rated each of the actual parcels of land that were to be acquired in terms of the level of each effect it would produce.

Table 6 summarizes the roles played in these four applications in terms of who identifies the effects, who determines the effects' relative importance, and who determines the level of effect each policy alternative has. In the site selection application, the team of consultants does all these tasks, leaving to the policy board only the task of officially setting priorities based upon the consultant's recommendation. At the other extreme are the higher education and "Open Space" applications. In both these instances, the policy boards do all three tasks. In the school desegregation application, the board identifies the effects and determines their relative importance but leaves the determination of level of effect to its staff.

Consultants working with the policy board in the "Open Space" application concluded that it was a mistake for the policy board to determine the level of effects and that this task could have been done better by technical experts (Hammond et al., 1977, p. 19). In a subsequent application they followed the logic espoused by Ward

TABLE 6
Roles Played in Several Public-Sector Applications

Policy Application	Who Identified Attributes	Who Set Attribute Weights	Who Determined Attribute Effects
Site selection for power plant	Team of consultants	Experts from among consultants	Consultants
School desegretation	Consultant and staff, expanded by school board members	Individual school board members	School district staff
Higher education	College-level teachers	Teachers by consensus	Teachers by consensus
"Open Spacé" land acquisition	Board of trustees	Individual board members	Individual board members

Edwards and had technical experts determine the level of the effects for each policy alternative (Edwards, 1980). Where cause-effect theory and empirical data exist that permit estimating the level of effects, it seems reasonable to have those levels estimated by whoever has the best information available, funds permitting. Where empirical data are absent or are of poor quality, one wonders who the expert is. In such situations, board estimates may be as good or better than anyone else's.

COMBINING BOARD MEMBER'S JUDGMENTS

If individual board members have different opinions about the relative importance of effects or the level of effects that each policy alternative would have, how can a single set of priorities for the board as a whole be developed? Three basic approaches may be taken to aggregating board members' judgments. The first method, is to have the board sit as a group and through discussion reach a consensus. Consensus could be reached sequentially about which effects would be considered, their relative importance, and what level of effects would result from each policy alternative if implemented. If such a consensus could be reached, this approach would seem the most desirable. Saaty (1980: 31) reports that consensus is most easily

achieved when the participants have in common "(1) shared goals; (2) intimate long-term contact; (3) work in a climate of social acceptance; and (4) have equal status when participating."

Sensitivity analysis may be helpful in achieving a consensus. Such analysis may demonstrate in some situations that either, or sometimes both, the effect levels and weights can change substantially without changing the rank order of the policy alternatives' overall performance scores. Even when board members disagree on some of the effect weights, Edwards (1979: 50) believes that multiattribute utility techniques can turn "what seems like major disagreement into a relatively high degree of agreement." His reasoning is that when people who have strongly held points of view make holistic evaluations, they tend to concentrate on those policy effects that most strongly engage their biases. Multiattribute procedures prevent this concentration by separating judgments about the importance of the effect from judgments about the level of effect that each policy alternative would achieve. Agreement about the importance of other effects tend to reduce the impact of disagreement on the controversial effects (Edwards, 1977).

When consensus on effects, weights, and effect levels is not possible, each individual board members's judgment could be used to establish a separate overall performance score for each policy alternative. These scores could then be averaged to represent the collective opinion of the board. A variation on this approach is to obtain individual member effect weights and levels. These weights and levels are then averaged and a single overall performance score calculated for each policy alternative. Saaty (1977) believes this approach is reasonable when individual judgments reflect indecision or possession of little information. However, when judgments are strongly held, simple averaging may produce a suboptimal policy choice that is in no one's better interest.

A third approach is to obtain individual judgments about the important effects; and, once these preferences are clear, to search for a policy compatible with everyone's preferences. This approach conforms to Follett's (Metcalf and Urwick, 1940: 40-41) rules for obtaining integration rather than compromise. According to these rules, the demands of each party are broken into their constituent parts, and a solution is sought in which all demands are accommodated. Dyer and Miles (1977) report using such a process in choosing trajectories for the Mariner Jupiter/Saturn mission. One

trajectory pair was found that would accommodate the needs of nine of the ten scientific groups participating in the selection. This trajectory pair was revised in such a way that it would better satisfy the needs of the tenth group without degrading the features that were desirable to the other groups. In the event that no such mutually accepatable policy can be identified, choosing the policy by majority vote may be as satisfactory an approach as averaging.

POLITICAL ACCEPTABILITY OF USING THE TECHNIQUES TO SET PRIORITIES

Grizzle (1982) has noted political constraints that limit the degree to which policy boards can successfully follow the pure rational approach to decision making. In a political arena, managing information can be an important tactic in one's strategy to build a winning coalition. Making one's weights and estimated effect levels explicit may hinder rather than facilitate the coalition-building process.

It is instructive to note the outcome of the Los Angeles school desegregation policy analysis; five of the seven board members provided weights, given a guarantee that individual members' weights would be kept confidential and only the average weights would be reported. These weights were used in analyzing eight alternative policies. The board adopted none of these policies. When the decision deadline arrived, the board adopted a compromise policy put together shortly before the deadline. SMART was not used to evaluate this policy (Edwards, 1979, p. 48). As another example, we quote J. G. Roche, reporting his application of decision analysis to the budget allocation problem of a small school district: "Under normal conditions, I don't believe it would be reasonable to expect that policy makers would allow their own preference structures to be communicated" (reported in Keeney and Raiffa, 1976: 376).

Under what political conditions are board members likely to make known their judgments about the relative importance of effects? Making one's values explicit seems more likely when these conditions hold:

(1) The constituencies that the board members represent share values.
(2) The board's environment is friendly rather than hostile.

(3) Publicizing value tradeoffs will not damage future support of the board or its policies.
(4) Disclosing value tradeoffs will not exacerbate conflict and make agreement on any policy more difficult.

When board members share values, aggregation by any of the three approaches discussed—consensus, averaging, or integration—would probably be feasible. When board members do not share values, reaching a consensus on effect weights may prove impossible. The averaging approach may pose a problem as well. Once they learn the rules of the averaging game, board members who do not share values may not give their individual weights in good faith. They may give extreme weights in order to offset their opponents' weights.

The ability to skew a policy board's average weights by individual board members giving deliberately extreme weights would probably be less of a problem with AHP. AHP limits the range of possible weights from 1 to 9. SMART, decision analysis, and SJT, on the other hand, place no limits on the range of weights than an individual member may assign to the attributes.

Raiffa has experimented with bargaining processes in a laboratory setting and reports that some people do in fact figure out how to exaggerate their beliefs in order to use the bargaining process to win their point of view. In such situations, the complexity of the decision analysis technique becomes an advantage. "If you give a very, very complicated rule and then ask people for their beliefs, they cannot easily figure out how to subvert the analysis. In fact, most of the subjects that I have been involved with simply decide the easiest thing to do is to tell the truth" (Bell, Keeney, and Raiffa, 1977: 387).

If none of the aggregation approaches is feasible, it may be possible to appeal to an "expert" to set the effect weights. If board members do not participate in setting the weights, however, they will probably not be committed to them. As a result, they may pay less attention to the priority rankings that the method produces when they bargain to obtain agreement on a policy that will satisfy a majority of the members.

SUMMARY AND CONCLUSION

Four techniques that policy boards may use to set priorities among alternative policies are decision analysis, simplified multiattribute

rating technique, analytic hierarchy process, and social judgment theory. Although these techniques differ in approach and implementation, they have several tasks in common. They identify the policy alternatives to be assessed, establish a set of effects that will be used to systematically assess each policy alternative, determine the relative importance of the effects, determine the level of each effect that each policy has, and combine this information into an overall performance score for each policy alternative.

All these methods seem technically adequate for policy boards to use when setting priorities. All are flexible in the division of tasks between the board and its staff or consultants. They do differ in terms of complexity, cognitive style, time required, and information demands—all factors that affect the likelihood that policy boards will use these techniques.

Finally, it must be remembered that techniques designed as neutral tools may not be used that way in a political environment. In some situations individual board members may subvert the intent of these techniques by manipulating their rankings to drive the board's priority rankings toward their own predetermined rankings. If individual policymakers have already decided which policy alternatives they prefer, then it may be a waste of time to use any of these techniques.

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In passing Title VII of the 1964 Civil Rights Act, Congress sought to promote equal employment opportunity while allowing the use of selection tests. This article focuses on the interaction between the Supreme Court and the EEOC in developing policies governing the use of selection tests. The analysis suggests that typical characterizations of judicial review over administrative agencies frequently miss the subtlety of judicial-administrative interactions. In grappling with the complexities of this potentially redistributive policy, both court and agency have adopted standards more restrictive of selection tests than Congress intended, but more consistent with the goal of equal opportunity.

SELECTION TESTS AND EQUAL OPPORTUNITY The Court and the EEOC

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The last decade witnessed a great deal of scholarly attention to the problem of policy implementation. A significant part of this attention was directed at the issue of judicial impact and raised questions about the capacity of courts to make and successfully implement public policy. Although this literature enhanced our understanding of judicial policymaking, some writers concluded that the apparent lack of success experienced by courts in developing social policy meant that courts should leave such decisions to other institutions (Horowitz, 1977a). However, adequately addressing the issue of capacity would seem to require a closer look at judicial policies in relation to other institutions that have dealt with the same problem.[1] Rather than looking at court policies in isolation, a complete understanding of judicial capacity needs to proceed from an awareness of the institutional context within which courts act. As Cavanagh and Sarat have noted, "discussions about court capacity must be placed in a cross

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institutional context. The capacity of courts to act in specific areas must be judged against the capacity of legislative, administrative or private institutions" (Cavanagh and Sarat, 1980: 373).

Within this concern about the institutional context of policy development and implementation more attention needs to be paid to the interaction between institutional actors. For instance, the field of administrative law has long been dominated by formalistic discussions of judicial review emphasizing the degree of deference that courts are likely to give to administrative agencies without developing any realistic body of evidence detailing the myriad and complex ways that courts and agencies interact (Fiorino, 1976). There have been, of course, major exceptions to this tendency. Martin Shapiro's (1968: 102) excellent study of the Supreme Court and administrative agencies suggested that important insights could be gained by viewing courts and agencies as supplementary policymakers.

> Judicial review of administrative decisions is not, then, a constant battle between two great and fundamentally differing institutional antagonists, but a more intimate cooperative interrelationship between two supplementary lawmakers. In this relationship there is no reason to assign one or the other member special precedence or to finally assign a given weight to either. For the whole advantage of the system is a flexibility which allows either side to intervene to correct the faults of the other.

Despite Shapiro's insights there is a great deal left to be learned about judicial-administrative interaction. Several scholars have noted that judicial willingness to defer to agency decision making appears to vary depending upon the degree of policy correspondence between the two bodies and the extent to which agency decisions seem to be firmly based on statutory language (Tanenhaus, 1969; Canon and Giles, 1972; Handberg, 1979). However, such generalizations, although interesting, still miss much of the subtlety of the relationships between court and agency. As Shapiro argued, "most of the relations between agencies and courts are relations of acquiescence, consent, or compromise arrived at by anticipation of the other participant's position before even a tremor of conflict arises" (Shapiro, 1968: 268).

By taking a step back from broad generalizations about the nature of judicial review and the degree to which the court defers to

administrative expertise, perhaps we can enhance our understanding of the complexity of court-agency relationships by paying closer attention to the manner in which these supplementary policymakers respond to each other. Indeed, we may find that the extent and nature of judicial intervention vary widely depending upon the nature of the policy question under review. Although this study does not attempt to develop the type of comprehensive model that such an inquiry needs, it hopes to move toward this goal by analyzing the manner in which the Supreme Court and one agency involved in a redistributive policy have interacted in developing public policy.[2]

Thus, this article seeks to address the issue of administrative judicial interaction by focusing on how two institutions of the federal government, the Supreme Court and the Equal Employment Opportunity Commission (EEOC), have responded to each other's initiatives relating to the use of selection tests in making employment decisions. The analysis will begin with a brief look at the background of this issue stemming from the passage of the 1964 Civil Rights Act, and then proceed to a discussion of the manner in which the EEOC and the Supreme Court have interacted in redirecting congressional policy involving the use of selection tests.

CONGRESS, TITLE VII, AND EQUAL OPPORTUNITY

In passing Title VII of the 1964 Civil Rights Act, Congress sought to promote equal opportunity in the area of private sector employment. At the same time Congress also indicated that the use of selection tests in making employment decisions was not inconsistent with this goal. The majority feeling in Congress seemed to reflect a rather naive faith in the ability of professionally developed tests to measure abilities related to job performance. Thus, Congress, perhaps unwittingly, created considerable tension between the broader goals of Title VII and its specific acceptance of selection tests (Wilson, 1972). Much of this tension is endemic to the concept of equal opportunity itself. Most attempts to define this alluring but rather nebulous concept speak in terms of a race with winners and losers but still governed by fair rules. Thus in the usual version, inequalities continue to exist but they are based upon differences in talent, effort, or some character trait that society chooses to reward. From this

perspective, Congress's decision to allow the use of professionally designed selection tests was merely a way of helping employers decide winners and losers as well as determining who is qualified to enter the next race. In arguing for the passage of Title VII, Senator Case made the point explicit:

> There is no requirement in Title VII that employers abandon bona fide qualification tests where, because of differences in background and education, members of some groups are able to perform better on these tests than members of other groups. An employer may set his qualifications as high as he likes, he may determine which applicants have those qualifications, and he may hire, assign, and promote on the basis of test performance (110 Congressional Record 7213, 1964).

Despite Case's assurance, Senate conservatives feared that Title VII would be read to prohibit the use of selection tests. After several tries the Senate passed what has generally been called the Tower Amendment.

> Notwithstanding any other provision of this (title), it shall not be an unlawful employment practice for an employer . . . to give and to act upon the results of any professionally developed ability test provided that such test, its administration or action upon the results is not designed, intended or used to discriminate because of race, color, religion, sex or national origin (42 U.S.C. 2000-E-2H).

Whatever the majority of Congress may have felt about the intricacies of defining equal opportunity, they clearly saw no conflict between the goal of ensuring a fair race and the use of professionally developed ability tests.[3] Because from the congressional perspective the primary intent of Title VII was to prohibit blatant forms of employment discrimination, any honest attempt to locate the most talented or meritorious employees would certainly not run afoul of the Civil Rights Act.[4] Whether this assumption is accurate or not depends upon whether tests are seen as reasonable hurdles used to identify ability or unnecessary obstacles rigged against those who have suffered from past discrimination. The latter position asserts that selection tests, in a more subtle way, perpetuate discrimination by measuring past cultural, educational, and training disadvantages not intelligence or potential job success. However, in passing the

Tower Amendment, Congress showed little awareness of the nuances or dilemmas of testing for job performance, thus they seemed content with vague enunciation of general principles—the details were left to others.

THE EEOC AND CREATIVE INTERPRETATION

Although at various times over twenty federal agencies have held some responsibilities for enforcing equal employment laws, the primary responsibility for implementing Title VII was delegated by Congress to the Equal Employment Opportunity Commission (Bryner, 1981). Congress, however, was not overly generous with the powers it originally provided the EEOC. By not delegating either formal rule making or adjudication powers to the newly created commission, Congress indicated its ambivalence about the steps it was willing to take to overcome employment discrimination. The EEOC's enforcement powers were originally limited to investigation of discrimination charges and informal attempts to achieve negotiated settlements. If negotiation proved unsuccessful, the EEOC could ask the Justice Department to prosecute the case. Even after the agency was given permission to file suit for themselves in 1972, this added power was seen by the Nixon administration as "a lesser evil than the power to issue 'cease and desist' orders" (Horowitz, 1977b: 104-105). As James Freedman (1978: 110) notes, the meek powers granted to the EEOC reflected a basic uncertainty regarding the country's willingness to attack the myriad components of employment discrimination.

> The resolution upon which the contending political forces in Congress came to rest in enacting Title VII hardly indicates an informed appreciation of the uses of informal administrative procedures in achieving regulatory goals, to say nothing of an appreciation of the relationship that such procedures may bear toward the elimination of discrimination in employment. Rather it reflects the nation's incomplete commitment to the goal of equal employment opportunity.

Despite its lack of enforcement powers, ambivalent public support, and an excess workload, the EEOC demonstrated surprising creativity in attempting to make Title VII live up to at least some of its

redistributive potential.[5] The new agency adopted an expanded definition of selection tests, accepted a broader view of employment discrimination in the use of testing, and insisted that tests that were found to have discriminatory impact had to be demonstrably job-related (Blumrosen, 1973). The key ingredients to the agency's expansive view of Title VII could be found in the concepts of disparate impact and job relatedness. The notion of disparate impact suggested that the EEOC would accept as evidence of illegal discrimination a showing that protected minorities failed selection tests at a significantly higher rate than majority applicants. Once disparate impact was shown to exist the burden of proof fell on the employer to demonstrate that the selection test accurately measured an applicant's ability to perform a particular job (29 CFR 1607; 1970). Thus, the EEOC interpreted Title VII's reference to professionally developed tests to mean that tests must be validated if they have the effect of discriminating against a protected class. This creative interpretation of Title VII served to inhibit the casual use of selection tests, whatever Congress may have intended.

THE POLITICS OF TEST VALIDATION

To the uninitiated, test validation hardly seems like a potential source of heated political debate. Essentially the concept seeks to insure that a test is really measuring what it claims to be measuring. A test used to select applicants ought to be testing something relevant to the job unless it wishes to serve as simply a sophisticated way to discriminate against some potential employees. Although Congress may have assumed that tests such as those measuring intelligence were always related to job performance, the point is far from obvious. Indeed, there is little agreement on what, if anything, the concept of intelligence means and even less on what "intelligence tests" are actually measuring (Green, 1981).

Many psychologists are equally unsure about the relationship between intelligence tests and performance of a particular task. Thus the need to demonstrate test validity. The problem here is that a test cannot be valid in general, a test can only be valid for a certain purpose. As one testing expert has noted, "a test may be both valid and not valid. For example, skill at algebra may be a valid predictor of science and math grades, but may not be valid for history or

English" (Green, 1981: 1006). Because a general intelligence test is not likely to be valid for all occupations, there is a need to empirically demonstrate a relationship between the test and a particular job. For such situations testing professionals recognize various types of validity: criterion-related validity, content validity, and construct validity.[6]

Criterion-related validity seeks to correlate scores on a test with some outside measure of job performance. Thus a high correlation between an intelligence test and job performance would indicate that the test was a valid predictor. An obvious problem arises in choosing reliable criteria to measure job performance. It is not unusual for such performance measures to be less reliable than the tests they are validating. The idea of content validity directs our attention to whether a test appropriately covers the type of information a person will need to know for a particular job. Therefore, much depends on a meaningful analysis of the skills required. On the other hand, construct validity seeks to measure the relationship between some abstract concept or trait (such as intelligence or verbal ability) and success on the job. Construct validity can be rather illusive, both because of the difficulty of identifying and measuring a meaningful trait as well as the problems associated with demonstrating its relationship to job performance. In its original guidelines, the EEOC showed a distinct preference for studies that demonstrated criterion-related validity. The EEOC indicated that it would only accept evidence of content or construct validity if it was not feasible to demonstrate criterion validity (29 CFR 1607.5; 1970).

The difficulty of meeting the EEOC guidelines for demonstrating test validity soon became a point of serious contention between the agency and those interested in using selection tests. Not only were the standards difficult to fulfill, but interestingly, they also asserted that even if a particular test was shown to be valid, employers could still be found in violation of the guidelines if the tests resulted in disparate impact and if "suitable alternatives" resulting in less discriminatory impact were available.[7] Several critics asserted that the guidelines created "an incentive for employers to devise surreptitious quota systems composed of counterbalancing selection requirements that have sufficient appearance of job-relatedness to prevent a charge of intentional discrimination" (Shoben, 1977: 31).

Although the original 1970 guidelines may have been of such complexity that many employers were encouraged to use other methods of selection, what remains puzzling about such attacks is

why these critics adhere to the unstated assumption that tests not validated provide a better way to hire than other methods. Why we should have such faith in tests whose relationship to job performance has not been demonstrated remains unclear. Nevertheless, because these guidelines represented the work of an agency without formal rule making authority the degree to which they should be considered valid constructions of congressional intent became an issue that was bound to be tested in the courts.

JUDICIAL SUPPORT FOR THE GUIDELINES: THE GRIGGS STANDARD

The degree to which the Supreme Court should defer to a regulatory agency's interpretation of congressional intent has long been the subject of great dispute. Much of this debate, especially in administrative law circles, has been overly formalistic and curiously devoid of any discussion of the political role of courts. The fact that individual justices find it beneficial to couch their agreement or disagreement with agency decisions in terms of "reviewability," "deference," or other similar concepts should not preclude our awareness of the extent to which such determinations are based upon a wide variety of factors.

> Any realist would have to concede that a judge's views as to the extent of judicial review vary from agency to agency, from time to time, with the character of the administrative agency, nature of the problems with which it deals, the confidence the agency has won, the degree to which the review would interfere with the agency's functions, or burden the courts, and the nature of the proceedings before the agency as well as other factors (Pierce and Shapiro, 1981: 1191-1192).

Such a perspective would suggest that a court might find it beneficial to their policy interests to intervene in some agency cases while they are less willing to substitute their own judgment for the agency's decision in other areas. Thus, although the EEOC has not always fared well in the Burger Court, its guidelines on selection tests have, with a few adjustments, withstood court review. Indeed, those who have looked to the Supreme Court to vindicate their attack on the EEOC's guidelines have not been particularly successful.

The first opportunity the Burger Court had to review the EEOC's approach to selection tests came in the case of *Griggs* v. *Duke Power Company* (1971). The case clearly illustrates the manner by which a company could use selection tests to replace past discriminatory policies and obtain results that tended to perpetuate the previous policies. After the passage of the Civil Rights Act, Duke Power ceased to openly restrict the entrance of black employees into higher paying departments. Instead they began to require high school diplomas for all new applicants and a satisfactory score on two professional tests for advancement out of the lowest paying departments. Both requirements had the effect of continuing to restrict the advancement of job opportunities for blacks at Duke Power. The company did not make any attempt to demonstrate the validity of such selection methods, but instead argued that their lack of "discriminatory intent" should render them immune from suits under Title VII.

The Burger Court seized this opportunity to unanimously support the EEOC's interpretation of Title VII. Chief Justice Burger noted that "if an employment practice which operated to exclude Negroes cannot be shown to be related to job performance, the practice is prohibited" (Griggs, 1971: 431). Later Burger indicated the court's willingness to sanction the EEOC's basic approach to these issues.

> The EEOC, having enforcement responsibility, has issued guidelines interpreting #703(H) to permit only the use of job-related tests. The administrative interpretation of the Act by the enforcing agency is entitled to great deference. Since the Act and its legislative history support the Commission's construction, this affords a good reason to treat the guidelines as expressing the will of Congress (Griggs, 1971: 433-434).

Admittedly, the court was not concerned with all the details of test validation contained in the 1970 guidelines, but dealt simply with the EEOC's basic assumptions that evidence of the disparate impact of tests on protected minorities constituted a basis for a Title VII discrimination suit and placed the burden of proof on the employer to demonstrate that the tests were job related. Beyond this the court had no comment on the intricacies of test validation.

Clearly the most interesting aspect of *Griggs* could be found in the court's straightforward affirmation of the EEOC's interpretation of

congressional intent. Given the considerable ambiguity to be found in the congressional debate on this subject the court's unqualified concurrence is somewhat surprising. However, as one commentator has noted, this might well have indicated the court's attempt to square the statutory language with the ample body of social science evidence that suggests that professionally prepared selection tests are not always meaningful predictors of job performance.

> Confronted with a situation in which Congress debated and resolved the issue on an invalid assumption, the Court had two basic alternatives. It could carry out the legislative intent, no matter how ill-conceived it has been shown to be; or it could seek to harmonize the statute with current scientific opinion, either by distorting the legislative history as it did in *Griggs* or by attempting to choose a course that the legislature would have followed had they possessed the correct information (Wilson, 1972: 857).

THE AFTERMATH OF GRIGGS

The *Griggs* decision was a significant triumph for the EEOC, which was soon to receive further congressional support as a result of the 1972 Equal Opportunity Act. Not only did Congress enhance the agency's power by allowing it to take cases directly to federal district courts, they also expanded the reach of Title VII by applying its mandate to public agencies. However, the early success of the EEOC in the courts and Congress could not conceal the increasing opposition to EEOC attempts to crack down on the use of unvalidated selection tests. As the agency emerged from its infancy it faced a growing backlog of cases to investigate as well as a vocal and organized opposition. Again, critics argued that the difficulty of adhering to the guidelines would lead some employers to adopt selection systems that would achieve a less qualified work force in order to avoid the appearance of discrimination.

There seems little doubt that the guidelines were complex and made proving the validity of selection tests difficult. Beyond this, the guidelines left significant questions unanswered. For instance, what degree of discrepancy in passing rates would constitute disparate impact? What is the relevant population from which to measure disparate impact?[8] Those hoping for a systematic treatment of such

issues by the Court were not satisfied with *Griggs* and would continue to be disappointed by the degree of scrutiny the Court was willing to engage in when faced with selection test issues. Indeed, a large part of the problem associated with providing answers to such questions was the ambiguity of the issue itself. To address satisfactorily these issues the Court would have to place itself in the difficult position of trying to resolve disputes despite being faced with conflicting evidence by testing "experts." Although courts may not be as institutionally deficient in obtaining and analyzing social science evidence as it is sometimes alleged, the type of evidence available frequently does not lend itself to the needs of a judicial determination (Horowitz, 1977a: 274-284).

When faced with the choice of becoming totally immersed in the heavy volume of statistical evidence that frequently accompanies disparate impact cases or avoiding elaborate concern with the details and enunciating general principles the Supreme Court has tended to stick to the latter path. The Court's reluctance to get overly bogged down in the esoteric world of testing has served to enhance the status of the EEOC Guidelines.[9]

This pattern was evident in the 1975 decision in *Albemarle Paper Company* v. *Moody*. Like Duke Power, Albemarle Paper stopped engaging in overt discrimination after 1964, but proceeded to develop a set of seniority and testing practices that left "Negro employees 'locked' in lower paying job classifications" (*Albermarle Paper Company* v. *Moody*, 1975: 409). When Albemarle adopted a couple of tests that presumably measured intelligence and verbal abilities to guide their promotion and hiring policies, they made no attempt to validate their use. However, after *Griggs* and prior to trial the company hired an industrial psychologist to develop a validation study. After a half day visit to the plant, the psychologist devised a study that showed some correlation between the tests and at least some of the job classifications. Although the District Court found the results convincing, Justice Stewart, writing for the majority, did not. Stewart noted that the study failed to meet EEOC Guidelines in several ways. Generally, the Court criticized the manner in which the study was conducted, its failure to include a close analysis of the skills necessary for particular jobs, and the lack of specificity in the ratings given by supervisors that were used as a measure of job performance. On the basis of such deficiencies the Court concluded that there was "no way to determine whether the criteria actually considered were

sufficiently related to the Company's legitimate interest in job-specific ability to justify a testing system with a racially discriminatory impact" (*Albemarle Paper Company* v. *Moody,* 1975: 433).

The Court's positive attitude toward the EEOC's approach to the testing issue was not shared by all the justices. In particular, Justices Burger and Blackmun objected to the Court's acceptance of the guidelines. Burger distinguished the Court's affirmation of the general job-relatedness standard in *Griggs* from its endorsement of the specific methods of demonstrating validity in *Albemarle.* Burger argued that the guidelines were not administrative regulations fashioned after public comment but rather should be viewed as guides to action that reflected the opinion of one set of experts. Indeed, Burger noted that the EEOC Guidelines were not in complete agreement with the views of the American Psychological Association on employment testing (*Albemarle Paper Company* v. *Moody,* 1975: 452). Although Burger did not provide a detailed analysis of the merits, he argued that the Court should have upheld the validation study conducted in *Albemarle.*

Justice Blackmun also expressed concern with what he viewed as the Court's overly deferential approach to the EEOC. Again, without elaborate discussion of the problems associated with determining validity, Blackmun hinted that employment tests, whether validated or not, might be better than many other methods of making employment decision.

> We should bear in mind that pre-employment testing, so long as it is fairly related to the job skills or work characteristics desired, possesses the potential of being an effective weapon in protecting equal employment opportunity because it has a unique capacity to measure all applicants objectively on a standardized basis. I fear that a too-rigid application of the EEOC Guidelines will leave the employer little choice, save an impossibly expensive and complex validation study, but to engage in a subjective quota system or employment selection. This, of course, is far from the intent of Title VII (*Albemarle Paper Company* v. *Moody,* 1975: 449).

Blackmun's and Burger's position that the EEOC's Guidelines amounted to a type of expert opinion and no more was echoed by many industrial psychologists and personnel administrators. Indeed, such groups advanced the novel view that the EEOC was simply an advocacy agency whose views should be considered on par with other litigants before the Court.[10]

JUDICIAL RETREAT OR CLARIFICATION?

Whether affected by this counterattack on the EEOC's status or not, the Court did begin a modest retreat from its earlier largely unqualified endorsement. In *Washington* v. *Davis* (1976) the Court hedged on the degree to which professionally developed selection tests must be demonstrably related to job performance. The extent to which this marked a major turn in Court-agency relations however was clouded by several factors.

The *Davis* case is something of an anomoly because the Court spent some time referring to the requirements of Title VII before ultimately holding that Title VII was not directly applicable to the case. Indeed, it is possible to read *Davis* as totally irrelevant to our discussion because the Court claimed to be basing its decision on constitutional and not statutory grounds. Thus the court asserted that the standards for finding discriminatory action on equal protection grounds should not be identical to the standards required by Title VII. This finding came in the context of deciding that the District of Columbia police force did not "intentionally" discriminate by using a verbal abilities test as a basis for selecting recruits for a police training program even though the resulting adverse impact on blacks would have been sufficient for establishing a *prima facie* case of employment discrimination under Title VII.

Although the Court avoided a direct conflict with the EEOC, a close reading of the case suggests that the Court majority intended to modify EEOC guidelines. In particular the Court advanced the premise that when test results correlate with grades in a police training program, then the test has been validated even in the absence of empirical data demonstrating that either the test or the training program predict successful job performance.

In embarking on what the majority called a "more sensible construction" of the meaning of job performance the Court found support in the comments of both the Industrial Psychology Division of the American Psychological Association and the Civil Service Commission. By relying on such "expert" opinion, the Court could reach conclusions at odds with the EEOC's perspective.

The importance of this decision appears two-fold. First, the Court was clearly signaling a more flexible attitude toward job validation that that which emerged from *Albemarle*. Secondly, the Court's new approach allowed employers to validate a test by showing a relationship to a job training program without showing any relationship between the training and ultimate job performance. Justice

Stevens' concurring opinion on this matter was most explicit. He noted that, "it is permissible for the police department to use a test for the purpose of predicting ability to master a training program even if the test does not otherwise predict ability to perform on the job" (*Washington* v. *Davis,* 1976: 256).

Stevens offered several reasons for the Court's new approach that ranged from their Court's alleged greater expertise in knowing the qualification of police officers to the apparent face validity of the need for greater communication skills on the police force. Although such reasons may have a surface plausibility, the Court seems to have moved from its previous position on job relatedness. Although success in a training program may well be a reasonable criterion for making employment decisions, in the absence of evidence showing a relationship to job performance, the Court was merely asserting that if a verbal abilities test correlates with scores on another test given at the end of the program then the first test has been validated. As Justice Brennan argued in dissent this finding possesses a strange circularity to it.

> Where employers try to validate written qualification tests by proving a correlation with written examination in a training course, there is a substantial danger that people who have good verbal skills will achieve high scores on both tests due to verbal ability, rather than "job specific ability" (*Washington* v. *Davis,* 1976: 270).

PRESSURING THE EEOC

Whether intended or not, the *Davis* decision added the Court's voice to those who were urging the EEOC to adopt more flexible standards for demonstrating validity.[11] Indeed, since 1972 the EEOC along with representatives of the Labor Department, Justice Department, and the Civil Service Commission had been meeting to try and reach agreement on a new set of guidelines to govern federal enforcement. After several drafts, public comment, and even a review by the American Psychological Association, the various agencies were still unable to reach agreement. No doubt, the impass reflected the different goals of the agencies as well as the differing perspectives of their clientele.

Unable to resolve this multifaceted issue the EEOC republished its original 1970 guidelines while the other three agencies agreed to a new

set of standards that were published as the Federal Executive Agency Guidelines. The new FEA Guidelines were at odds with the approach of the EEOC in several ways. First, the other agencies did not express any preference between the types of validation tests that could be conducted while the EEOC maintained its preference for criterion-related validation. Secondly, the new guidelines asserted that disparate impact should be judged on the basis of the overall hiring process and not simply on the results of test scores. This approach, which came to be known as the "bottom line" requirement, asserted that acceptable results in the overall hiring process could be used to justify any disparate impact from a particular segment of the process. The FEA standards suggested that as long as the selection rate of minorities was at least 80% of the selection rate of unprotected groups then no discriminatory effect would be said to exist.[12] From the employer's point of view this allowed greater flexibility and permitted the use of selection tests without engaging in an expensive and time consuming validation study as long as the final results of the selection process (the bottom line) achieved the required ratio. On the other hand, the EEOC felt that such an approach would result in the use of unvalidated tests that rejected minority applicants at higher rates, even though enough minorities would be accepted to satisfy the 80% rule. The difference in these approaches can be seen from the example below.

Hypothetical: 60 Positions Open

Applicants	# Passing Test	% Passing Test	# Selected	% Selected
White – 100	80	80	40	40
Black – 50	30	60	20	40

In this example, the EEOC would have found disparate impact from the use of the selection test and thus required that the test be validated. Under the FEA approach, the "bottom line" resulted in whites being selected at the same rate as blacks, so no validation study would be necessary. The EEOC originally saw this possibility as unacceptable and refused to join in the adoption of this rule.

Without getting overly mired in the details of this dispute, one should note that the argument is heavily affected by one's attitude toward testing as an acceptable way to determine merit. If a verbal abilities or intelligence test (without validation) is seen as a meaningful indicator of merit, then establishing one's selection pool from

those who pass the test and then hiring or promoting those who pass in such a manner as to offset the disproportionate failure rate of minorities amounts to a perfectly reasonable way to promote equal opportunity while still achieving a highly qualified workforce. This approach, however, places a great deal of faith in the results obtained from standardized tests and assumes that they are measuring something meaningful. Nevertheless, in the absence of a validation study we really have no empirical reason to accept such a theory and in some cases good reason to doubt it. A minority applicant who is rejected on the basis of an irrelevant criterion is not likely to be satisfied by the knowledge that those minorities who passed received favored treatment.[13]

Still, this approach, from an enforcement perspective, has a strong ring of practicality to it. The EEOC faced the dilemma of either fighting against the use of tests that had not been validated, a stance that may or may not have the effect of promoting the advancement of minority applicants, or allowing the use of tests, but encouraging employers to hire and promote, at higher rates, minorities who pass the tests. As Eleanor Norton, chairperson of the EEOC, saw it, they were "faced with the possible anomaly that tests could be validated and no effect or no appreciable effect flow to minorities or women" due to class and background factors (Blumrosen, 1981: 331).

Faced with a complex polycentric problem, it was difficult to know what course of action would have the desired effect of advancing the interests of minorities. The EEOC was being urged by some advisors to accept the "bottom line" standard as a guide to "prosecutorial discretion" but refrain from endorsing the notion that such actions would leave an employer free from charges filed by individuals. A compromise along these lines would be rather advantageous for the EEOC because they could use the "bottom line" rule in deciding which cases to initiate and thus simplify their caseload problems, while avoiding a position on whether such an interpretation was consistent with statutory requirements. Thus, the EEOC agreed to the new guidelines with the bottom line standard and 80% rule in 1978 on mainly strategic grounds and reserved judgment on whether such actions satisfied Title VII. Commissioner Leach of the EEOC explained the agency's new position as one of political pragmatism.

> To the extent that we are acquiescing to the bottom line in this document, I regard that as in a sense choosing now to allocate our own

> resources in such a fashion that we are . . . going to encourage hopefully the employer to take some affirmative action, and in return we are going to forgo vindicating what I think is a legal principle. (Blumrosen, 1981: 332)

THE BOTTOM LINE ON THE BOTTOM LINE

The EEOC's view that the "bottom line" concept could be used as a guide to enforcement even though it might not satisfy Title VII requirements was soon to be contested in court. Some observers thought they had witnessed in previous court decisions a willingness to accept the "bottom line" approach and indeed some lower courts had accepted similar defenses.[14] However, the issue had never been squarely addressed by the Supreme Court until the 1982 decision in *Connecticut* v. *Teal.*

The *Teal* case presents a situation similar to the hypothetical case discussed earlier. In determining which employees would gain permanent status as supervisors in the state welfare department, Connecticut required applicants to pass a written examination. The test, which had not been shown to be job related, resulted in a significantly higher failure rate for black candidates than white candidates. When four of the employees who failed the test filed suit charging Connecticut with discriminatory action under Title VII, the State responded by asserting that it had appointed blacks who passed the test at a higher rate than eligible whites and thus had met the 80% rule at the bottom line.[15]

In a five to four decision, the Supreme Court rule that meeting the 80% rule was not an adequate defense against charges of disparate impact. Justice Brennan's majority opinion argued that possessing a racially balanced workforce does not "immunize an employer from liability for specific acts of discrimination" (*Connecticut* v. *Teal,* 1982: 454). Nor does favorable treatment to some members of a minority group allow other members to be discriminated against. Thus, Brennan argued that an employer that uses a written test which results in disparate impact must demonstrate that the test is job related regardless of the selection rate at the bottom line.

> The suggestion that disparate impact should be measured only at the bottom line ignores the fact that Title VII guarantees individual respondents the opportunity to compete equally with white workers

> on the basis of job-related criteria. Title VII strives to achieve equality of opportunity by rooting out "artificial, arbitrary and unnecessary" employer-created barriers to professional development that have a discriminatory impact upon individuals (*Connecticut* v. *Teal*, 1982: 451).

Some observers saw *Teal* as a defeat for the EEOC and the new Uniform Guidelines, but as we saw earlier, the Agency had been reluctant to accept the bottom line concept and had done so only as an internal enforcement rule. Indeed, the EEOC refused to join the Justice Department's brief supporting the bottom line concept in *Teal.* When Connecticut urged the Court to defer to the guidelines the Court suggested that there was nothing in the guidelines to support the State's case (*Connecticut* v. *Teal,* 1982: 453).

In *Teal* the Court split along ideological grounds with Justices Powell, Burger, Rehnquist, and O'Connor dissenting. Their primary objection to the majority opinion focused on whether disparate impact could be found in the absence of any discrimination at the bottom line. Because Connecticut had promoted blacks at a higher rate than whites the dissenters failed to see any disparate impact. "There can be no violation of Title VII on the basis of disparate impact in the absence of disparate impact on a group" (*Connecticut v, Teal,* 1982: 459). From this perspective, the fact that a selection test resulted in higher rejection rates for some groups does not mean that the test has to be demonstrably job-related if the disparity is compensated for at other stages of the selection process. In demanding the validation of all tests that have discriminatory impact, the dissenters argued that employers would be forced to "either eliminate tests or rely on expensive, job-related, testing procedures the validity of which may or may not be sustained if challenged" (*Connecticut* v. *Teal,* 1982: 463). The alternative, the dissenters feared, would be an adoption of some form of quota system that would avoid claims of discrimination irrespective of its other consequences.

TESTS AND EQUAL OPPORTUNITY

From the review provided here of the interplay between the Court and the EEOC over the use of selection tests, several observations can be made. First, the selection test issue underscores the distinct lack of

clarity associated with the doctrine of equal opportunity. Although most all participants talk in reverent terms of the holy grail of equal oppotunity, it seems apparent that no consensus exists on what the concept means in specific contexts. Greatly contributing to this confusion has been Congress' failure to clarify what the goals are, much less what methods are acceptable for attaining them.

> By default and design, Congress has delegated to the courts the responsibility for formulating and implementing equal employment opportunity policy. By design, in a compromise aimed at Southern Congressmen, Congress created an enforcement agency with no enforcement powers and lodged enforcement power with the courts, giving employers subject to government action a haven of process and delay in resisting governmental intervention. By default Congress failed to consider and subsequently failed to respond to a number of fundamental elements of equal employment opportunity policy. Not only were statutory provisions unclear, and legislative history contradictory, but periodic confusion and controversy over agency and court decisions were almost always met by congressional inaction (Bryner, 1981: 426-427).

Although Bryner's point is valid for the entire area of equal opportunity policy it has been especially true in regard to the selection test issue. Unable, or unwilling, to resolve the dilemma inherent in trying to overcome past discrimination while favoring those who score highest on general abilities tests, Congress simply decided to live with the tension.

The events discussed in this article would tend to support the perspective offered by Ripley and Franklin who have suggested that agencies implementing redistributive programs often devise and use new procedures. They also suggest that opponents will frequently attack the processes by which the programs are being implemented (Ripley and Franklin, 1982). Both points would seem valid as descriptions of the EEOC's handling of the selection test issue. The EEOC demonstrated a high degree of creativity in molding the statute to respond to the problem as the Agency and its constituency saw it, even though their guidelines generated a great deal of opposition from businesses and testing advocates.

Although the EEOC has backed off on some of its more stringent demands, the Agency has been successful in getting the Court to accept its core argument: Tests that result in disparate impact must be validated. Because conducting a validity study is both costly and time

consuming, employers have found this to be a significant obstacle to the use of tests that they see as playing a useful role in identifying merit and increasing productivity. However, in order to have a fair race the rule and course must also be fair. Until it is possible to say with more confidence that selection tests are measuring job specific ability and not a person's familiarity with mainstream culture, then the tension between the doctrine of equal opportunity and the use of some types of selection tests will continue.

Because Congress left it up to the courts and the EEOC to sort out the details of this polycentric problem, the nature of the relationship between Court and Agency became crucial in understanding the development of policy. The interaction analyzed in this article supports the observation that the arena of judicial-administrative politics is one "of mutual influences rather than sovereign commands" (Shapiro, 1968: 271). Considering that the EEOC was without formal rule making authority and dependent upon the judiciary for enforcement it seemed likely that the Court would attempt to exercise greater control over the agency (Johnson and Canon, 1984). However, the Court has not delved too deeply into the details of the testing dispute while helping to lend credibility to the EEOC's position. The usual characterizations of the Burger Court as prone to judicial restraint and political conservatism would not have anticipated this result. Indeed, the Burger Court's particular brand of restraint has not kept it from rejecting EEOC positions in other areas and certainly would not lead it to support federal intervention in cases like *Teal.*[16] Nor would the view that the Burger Court is deferential to status quo oriented agencies explain their response to the EEOC's approach to testing issues (Handberg, 1979).

It seems more plausible to argue that the Court shared the EEOC's premise that selection tests should be job related without seriously contemplating the difficulties of empirically demonstrating such a relationship. Because both *Griggs* and *Albemarle* dealt with private employers who adopted tests after a history of discrimination, the Court's support was perfectly consistent with its general policy goals of avoiding blatant discrimination. The Court had more trouble with the issues presented in *Davis* and *Teal* which forced them to look more closely at the details of the testing issue. Although the Court clearly does not share the EEOC's distrust of testing, it has argued that tests should be related to either job performance or training programs. This position will make the use of general aptitude tests problematic, but it should allow for the continued use of tests that

measure job-specific knowledge. If this seems like less than a perfect answer to the dilemma of equal opportunity, given the limits of societal consensus, it is about as reasonable as one could expect.

NOTES

1. Courts are neither always good policymakers nor always poor policymakers. The debate over judicial capacity could use an infusion of comparative perspective. Horowitz admits this and then proceeds to treat judicial capacity in isolation from other institutions that have had similar difficulties resolving intractable problems. For a discussion of the extent to which the tractability of a problem affects implementation see Maxmanian and Sabatier (1983).

2. For the original discussion of the degree to which patterns of interaction among key actors vary according to the perceived nature of the policies at issue see Lowi (1964). For more recent attempts to apply Lowi's model to the implementation process see Ripley and Franklin (1982), and Meier (1979).

3. The problems of interpreting congressional intent are obviously immense, for one view see Dworkin (1979), more generally see Carter (1984).

4. This is still a reasonable interpretation of congressional purpose. Although it appears obvious that most Congressmen saw the use of professionally developed tests as a justifiable way to make employment decisions, it does not appear that they considered the difficulties of demonstrating a relationship between tests and job performance.

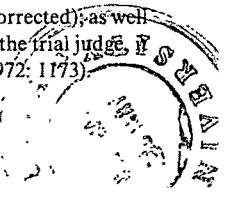
5. For a theoretical discussion of the role of creativity in making law responsive see Nonet and Selznick (1978). For specific discussions of creativity at the EEOC see Blumrosen (1970) and (1973). For more general discussions of the problems faced by the EEOC in implementing Title VII see Ripley and Franklin (1982), and Fee (1982).

6. For a widely respected discussion of the problems of determining test validity see Anastasi (1982). I would like to thank Russell Lord and Robert Hancock of the Psychology Department of Northwest Missouri State University for their helpful explanations of these approaches to determining validity.

7. This particular assertion was rejected by the Supreme Court in *Albemarle Paper Company* v. *Moody* (1975).

8. Neither of these problems was adequately addressed in the original guidelines nor has the Supreme Court had much to say on the questions although it does make use of general population statistics to measure the impact of a height-weight requirement in *Dothard* v. *Rawlinson* (1977), and areawide teacher population statistics are employed in *Hazelwood School District* v. *United States* (1977). As will be discussed later in the article the Uniform Guidelines adopted in 1978 employed an 80% rule for determining when a significant disparity exists in the pass/fail rate of groups. For further discussion of these issues see Shoben (1978).

9. After having waded through a morass of statistical analysis in a selection test case, the following judicial complaint must be typical. "After all the technical statistical jargon like 'one tail' or 'two-tail' test and 'Chi Square Test' (Yates—corrected), as well as the less esoteric numbers and percentages (as) were placed before the trial judge, it was his job to resolve the issues" (*Chance* v. *Board of Examiners*, 1972: 1173).



10. See the brief of the American Society for Personnel Administration and the brief for the Division of Industrial-Organizational Psychology of the American Psychological Association. Both briefs filed as *Amicus Curiae* for *Washington* v. *Davis* (1976).

11. Two years after *Davis* the Court upheld in a *per curium* decision a South Carolina test used to classify and hire teachers although the test resulted in disqualifying 83% of the black applicants. The test was "content validated" a method that demonstrated that the content of the test provided a fair measure of the material covered in the state's teacher training program. Justice White who authored the majority opinion in *Davis* dissented along with Justice Brennan. White argued that the *Davis* case "did not hold that a training course, the completion of which is required for employment, need not itself be validated in terms of job relatedness. Nor did it hold that a test that a job applicant must pass and that is designed to indicate his mastery of the materials or skills taught in the training course can be validated without reference to the job" (*U.S.* v. *South Carolina,* 1978: 1026-1027). Perhaps this is not what White thought the Court was doing in *Davis,* but it is what the majority of the Court has now, without further explanation, approved.

12. See the Federal Executive Agency Guidelines on Employee Selection Procedures (41 Federal Register 1976 at 51744-51751). For a detailed discussion of these guidelines see Rubin (1979).

13. Frequently employers have used a type of affirmative action to avoid any adverse impact at the bottom line, but this is only after a placement test has rejected many of the applicants. This is perfectly reasonable if the test is measuring something relevant to the job, if not, then one might as well be flipping coins.

14. Blumrosen (1980) thought the Court had indicated its approval of the bottom line concept in *Furnco Construction Corporation* v. *Waters* (1978), and Booth and Mackay (1980) claimed that they saw approval for such an approach in a myriad of lower court opinions.

15. In *Connecticut* v. *Teal* (1982) the black passing rate on the selection test was only 54% as compared to the white passing rate of 79%. The State appointed the passing candidates in a manner that resulted in a black promotion rate of 23% compared to the white promotion rate of 13.5%

16. See *General Electric* v. *Gilbert* (1976) and *American Tobacco Co.* v. *Patterson* (1982) for two examples of Court objections to EEOC Guidelines. The conservatives on the current Court seem more inclined toward judicial restraint with respect to state interests, such deference certainly would not extend to the actions of a redistributive agency involving themselves in a state decision.

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Donald W. Crowley has published articles on judicial impact and implementation. He is currently working on a study of the Burger Court and privacy. He is Assistant Professor of Political Science at the University of Idaho.

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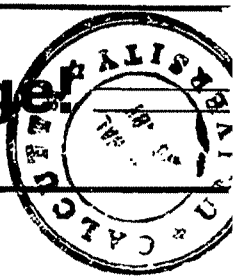
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WOMEN, BIOLOGY, AND PUBLIC POLICY

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